THE BARRETT GROUP

Industry Updates 2022-23

Report on Executive Opportunities

INDUSTRY UPDATE: Introduction

What Is Career Management?

It's shocking how many people fall into their careers by accident, not by design. Ask people how they came to be doing what they do for a living and, more often than not, they will tell you a story of how one thing led to another or, perhaps, how some person in their life influenced them to follow a certain career path. Few end up in their field as a result of a thoughtful, predetermined plan. Once established in their careers, even fewer people think about where their career paths take them. They just follow wherever it leads…until the path ends.

Your career is too important to be determined by the winds of fate. It is an asset -- the most important one you have next to your health and your family -- and it is intrinsically connected to the well-being of both of those assets, not to mention your finances.

That's where career management comes in.

Career management means being thoughtful about identifying your values and your ambitions, setting goals that align with them, then methodically charting a course to achieve them. It means putting yourself in optimal positions throughout your career to capitalize on new opportunities as they arise so that you can find success and fulfillment in your career and, by extension, in your life.

Career Changes Are Opportunities

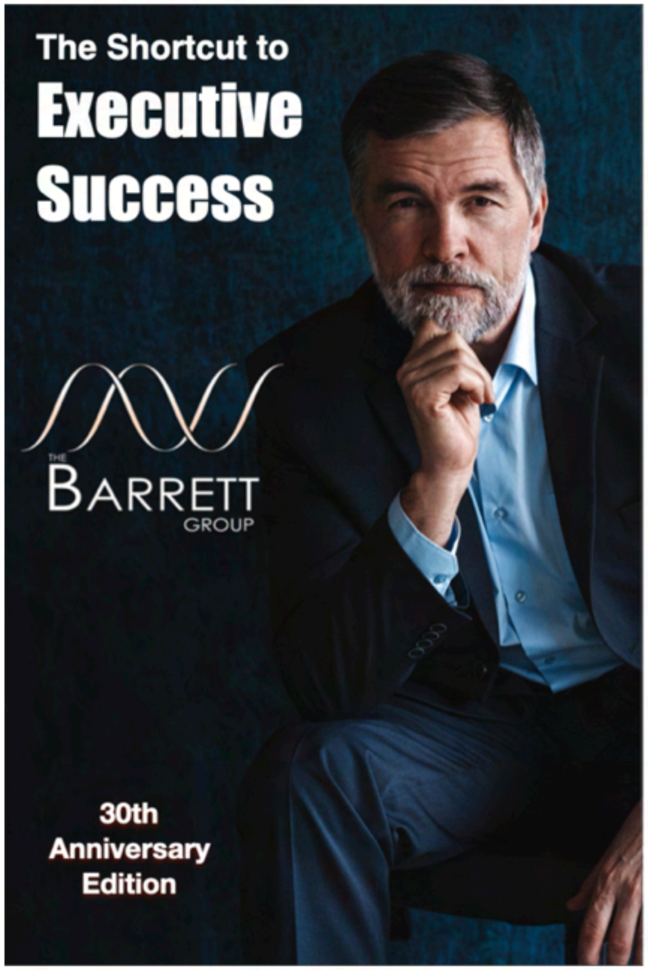
Career management also means being prepared to make career pivots. Long gone are the days when a person might retire with a gold watch from a lifelong career at one company. Nowadays, American workers stay with an employer four to five years on average and sometimes job transitions involve a shift between industries, not just between companies. Chances are good that whatever you set out to do at the beginning of your career is far from what you now do for a living, and whatever you do today may not be what you will be doing tomorrow.

As commonplace as it has become, changing jobs ranks as one of the most stressful experiences in a person's life, but it doesn't have to be. With good career management, career change is an excellent way to advance your career and pursue your dreams.

So, how do you do that?

Why not hire the expert in the field—one that Forbes magazine regularly rates as one of the best in the business, one that has provided such services for more than 30 years?

Contact the Barrett Group for more details.



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"Turmoil" about sums it up. Pretty much regardless of where you look, there was turmoil in 2023. Stock markets gyrated. Russia and the Ukraine continue the unnecessary bloodshed. The Gas, oil, and energy markets fluctuated wildly. Commodity prices, particularly wheat, rose ominously. Inflation reared its head before declining again. Interest rates climbed. Recession loomed then faded. And the weather did incredible damage as the world warms up.

Against that backdrop, the continued strength of labor markets in general, and the executive market in particular is impressive. In a population of about 9 million executives*, some 450,000 or more changed jobs or occupied new positions in the major markets** we focus on in this report. Some of the major themes driving these changes include:

Continued recovery from the pandemic - Many industries are showing green shoots, including the travel, leisure, and dining segment as consumers return to pre-pandemic behaviors, though other sectors, such as the commercial real estate market may suffer more structural changes.

Normalization of supply chains - In general, shipping costs have declined, the backlog in ports has eased, and inventories are getting caught up. However, while it benefitted greatly from the pandemic, on-line retail may be facing a period of restructuring.

Shift from deal-making to interest income - Investment banks are making the painful adjustment from doing deals to earning money on lending. This has already affected flows of new capital into the PE business, though current players are still sitting on vast sums to invest in their portfolio companies as we go to press.

Government action (investment in infrastructure and on-shoring) - Wherever you look governments are investing in infrastructure, particularly energy-related projects, but also on-shoring of critical manufacturing such as computer chips in the US or rare earth materials mining in Europe.

Focus on renewable energy - For various reasons the message has come home that we cannot go on burning fossil fuels as we have in the past and the resulting enthusiasm is firing myriad projects across the globe focused on electric vehicles, charging stations, wind and solar generation, and even hydrogen as fuel.

Artificial Intelligence suddenly became a force in the IT sector - This not only stoked Microsoft's fortunes as it took a healthy stake in ChatGPT and spawned a bevy of fast followers promising productivity gains, but also unleashed myriad dire predictions about AI's impact on humanity.

Perhaps it is obvious, but from our perspective, this world in turmoil is an invitation for executives to rethink their futures and define their own courses to better meet their needs whether financial, social, emotional or domestic—or the perfect mix of all four. That is what we do here at the Barrett Group—we help executives discover and implement their personal strategic plans to achieve fulfillment. Our 32 years of experience help us maintain our position as the leader in the careeer management industry, and we are gratified that Forbes magazine now regularly recognizes us as one of the best in the business.

We hope you will find the following Industry Updates helpful in mapping your own course, and would be happy to help you should you need a practiced guide.

Sincerely,

Peter Irish
Chief Executive Officer
The Barrett Group

Marion Engelke
Vice President Marketing
The Barrett Group

*See any of the Editor's Note in the following Industry Updates for our definition. **The US, Canada, UK, EU, and Middle East.

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Fossil Fuels in Retreat

A slowing economy has reduced demand for oil in 2022 even while the supply has tightened with OPEC+ curbing production again after an increase in Q3. Global oil inventories rose as a result while refining capacity throttled back at least in the short term, in spite of which oil prices have slipped from their recent highs. (See Source.)

Russia's invasion of Ukraine continues to foment uncertainly in the gas market. The European Union promptly set about finding alternative supply lines and has broadly succeeded in filling reserves as the winter began in earnest. However, a so-far milder winter, energy saving measures and sourcing adjustments are also reducing demand, including a record 10% contraction in Europe. Nevertheless, numerous factors cloud the outlook for 2023 including China's economy, possible recession in Europe and elsewhere, and the ongoing conflict in Ukraine. [See Source.]

The energy stage is set for renewables to step up. But will they?

McKinsey offers an interesting prediction that coal demand already peaked in 2013, that oil demand will peak by 2025, and gas demand will peak by 2035. After these peaks, the demand will likely decline fairly rapidly, leading to a scenario whereby 50% of power generation by 2050 will be supplied by renewable sources in the form of hydrogen and electricity. [See Source.]

Looking ahead, the IEA also foresees rapid change…

"The global energy crisis has triggered unprecedented momentum behind renewables, with the world set to add as much renewable power in the next 5 years as it did in the past 20."

"Energy security concerns caused by Russia's invasion of Ukraine have motivated countries to increasingly turn to renewables such as solar and wind to reduce reliance on imported fossil fuels, whose prices have spiked dramatically. Global renewable power capacity is now expected to grow by 2 400 gigawatts (GW) over the 2022-2027 period, an amount equal to the entire power capacity of China today, according to Renewables 2022, the latest edition of the IEA's annual report on the sector." [See Source.]

McKinsey adds that these changes do not only affect power generation or transmission:

"Today's fast followers include major oil and gas companies, which aim to shift their business models to profit from the increased demand for renewables and the electrification of vehicles, and private-equity players and institutional investors that make renewable energy a central component of their investment strategy. Leaders in the shipping industry are investing in renewables to enable the production of hydrogen and ammonia as zero-emission fuel sources; steel manufacturers are eyeing green hydrogen to decarbonize their steel production, with renewables providing the green electricity for the process. Car manufacturing companies are also striking renewable-energy deals to help power their operations and manufacturing, as well as making investments in wind and solar projects." [See Source.]

Deloitte draws our attention to five significant trends affecting renewables [See Source.]:

- Domestic manufacturing - Rising clean energy component manufacturing capacity could ease supply chain snags over time.
- Decarbonized fuel - New clean hydrogen economics could open avenues for renewable providers.
- Energy equity - IRA [Inflation Reduction Act] helps spur renewable providers to pursue opportunities in low-income communities.
- Cybersecurity - Renewable energy industry focuses on managing increasing cyber risk.
- Offshore wind - Offshore wind industry addresses challenges to unlock rapid growth.

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PitchBook confirms that private equity has been investing in renewables and related infrastructure at record rates and shows no signs of slowing down:

“It all adds up to a fertile environment for startups in the space, as PitchBook senior analyst John MacDonagh lays out in our newly launched Clean Energy Report: VC [Venture Capital] activity has been remarkably resilient, with $11 billion raised across 401 deals in the segment. That's on pace to match the record set in 2021.” [See Source.]

In short, if ever there was a time to climb on board this particular locomotive, the time is now.

The Executive Market

From the introduction readers will have understood that this is a market at a crossroads. While the demand for fossil fuels will continue, it will also decline. We will attempt in this Update to facilitate transparency in both of these markets—the large but sluggish energy executive market and the narrower but faster growing renewables market.

Editor’s Note:

In this particular Update “executives” will generally refer to the Vice President, Senior Vice President, Chief Operating Officer, Chief Financial Officer, Managing Director, Chief Executive Officer, Chief Human Resources Officer, Chief Marketing Officer, Chief Information Officer, Managing Partner, General Counsel, Head, and President titles. Unless otherwise noted, the data in this Update will largely come from LinkedIn and represents a snapshot of the market as it was at the time of the research. Is LinkedIn truly representative? Here’s a little data: LinkedIn has more than 800 million users. (See Source) It is by far the largest and most robust business database in the world, now in its 19th year. LinkedIn defines the year over year change (YOY Change) as the change in the number of professionals divided by the count as of last year and “attrition” as the departures in the last 12 months divided by the average headcount over the last year.

The “Oil & Energy” market (as LinkedIn calls it) contains about 105,000 executives as we define them (see Editor’s Note). It has grown by just 0.5% in the past year with some 3,300 also changing jobs, it remains predominantly male (86%) and is dominated by major multiples such as TotalEnergies (755), Shell (597), BP (370), ExxonMobil (275), and Aramco (235)—all of whose executive ranks have grown between 7-11% in the past year. Houston, Dallas, the UAE, Iran, and New York are the top five locations for this cohort—home to 27% of industry execs.

The “Renewables & Environment” (as LinkedIn styles it) executive market encompasses almost 77,000 executives, up 3% in the past year, 3,600 of which changed jobs in the last 12 months—a 7.6% churn, meaning there were in total almost 6,000 executive opportunities in this segment in the past 12 months—50% more than in the Oil & Energy market. This group is still 86% male but its geography is completely different: New York, Los Angeles, London, Paris, and San Francisco are the top five locations, totaling just 10% of the total population.

Together, this total market comprises some 181,000 executives, a group that grew by 2% YOY, and of whom 6,911 changed jobs—about 10,000 executive opportunities in the past year all told. For convenience, let us agree to call the Energy & Oil market “O&E”, the Renewables & Environment cohort “R&E”, and the combined market, the “Energy” market as it must surely be seen going forward.

Charts 1 and 2 compare the Energy executive market to the R&E market by industrial subsegment. While Construction comes out on top in both cases, it is shrinking in the first case and growing slightly in the second. This seems to often be the case where the R&E market shows higher growth than the Energy market in general for all the reasons we explained in the introduction, though there are exceptions such as Civil Engineering that is shrinking faster in the R&E market.

While Management Consulting ranks highly on both charts, one can imagine that the emphasis in the O&E market is more on restructuring while the focus in the R&E market will be on growth and scaling.

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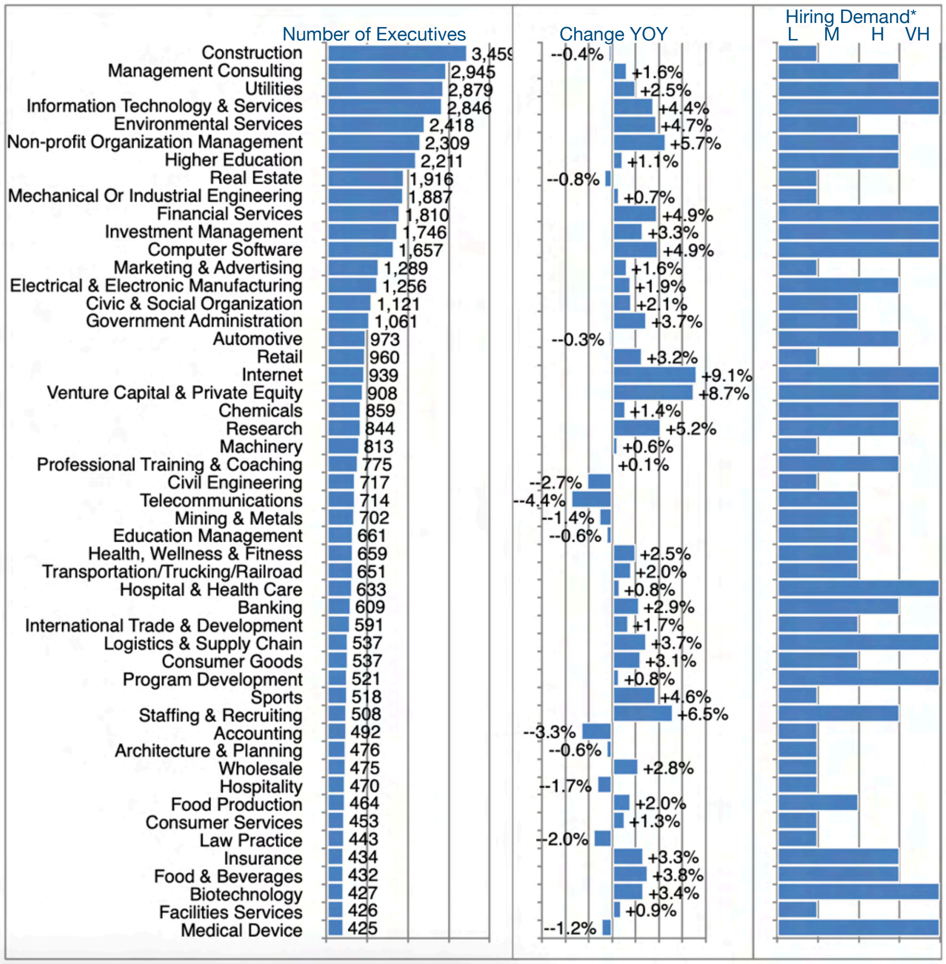
Chart 1: Executives per Energy Industry Segment



*Low, Moderate, High, and Very High hiring demand per LinkedIn

Many Barrett Group clients come to us because they feel that their industry or niche has limited growth potential and they desire assistance in making a change, whether of role, industry, location or all three (not to mention income and quality of life). Charts 1 and 2 offer a microcosm, a petri dish for considering such changes. For example, suppose you were in the IT industry and you had a choice of joining a company in the O&E market where the segment grew by +1% or a company in the R&E area where the segment expanded by +7.5%. The same logic applies almost across the board in each segment. Consider a segment in the middle of the ranking such as Consumer Goods: +7.4% (R&E) or -3% (O&E). Of course there are many other factors to take into consideration. For example, look at Financial Services where the hiring demand seems lower in the R&E market. It may be more difficult to attract top talent to a declining industry or the locations for such positions may be less attractive

Chart 2: Executives per R&E Industry Segment

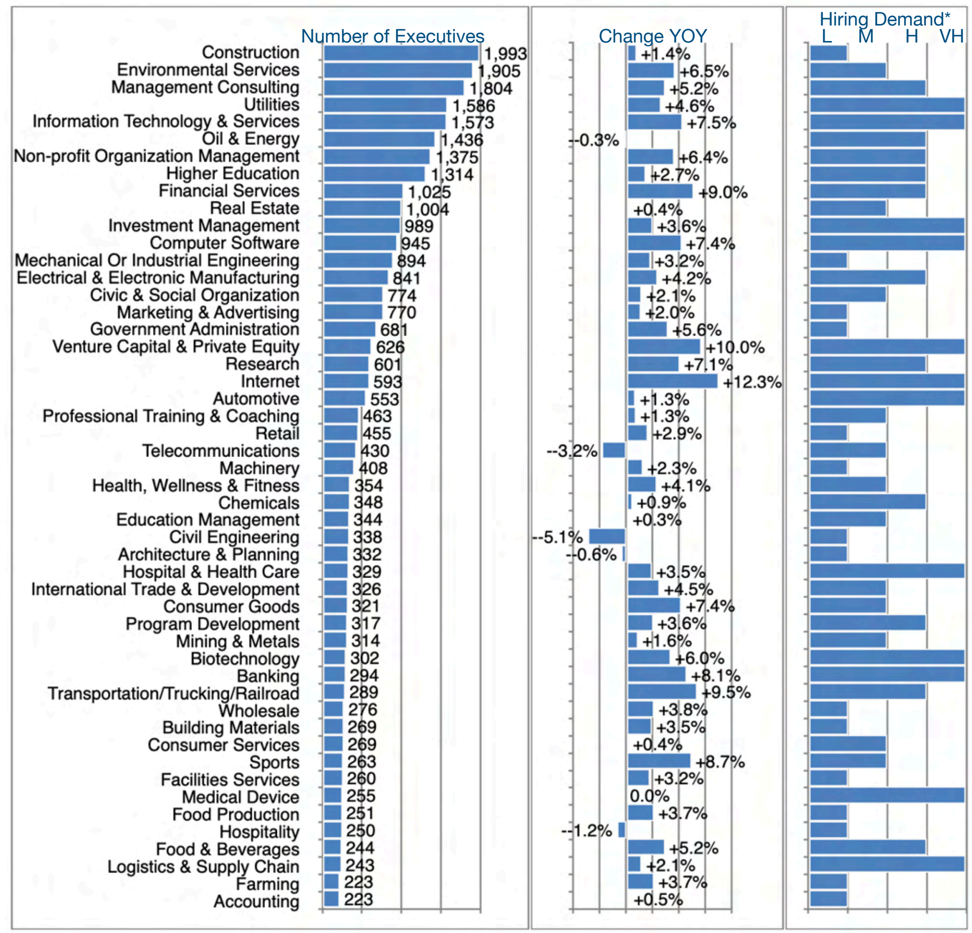


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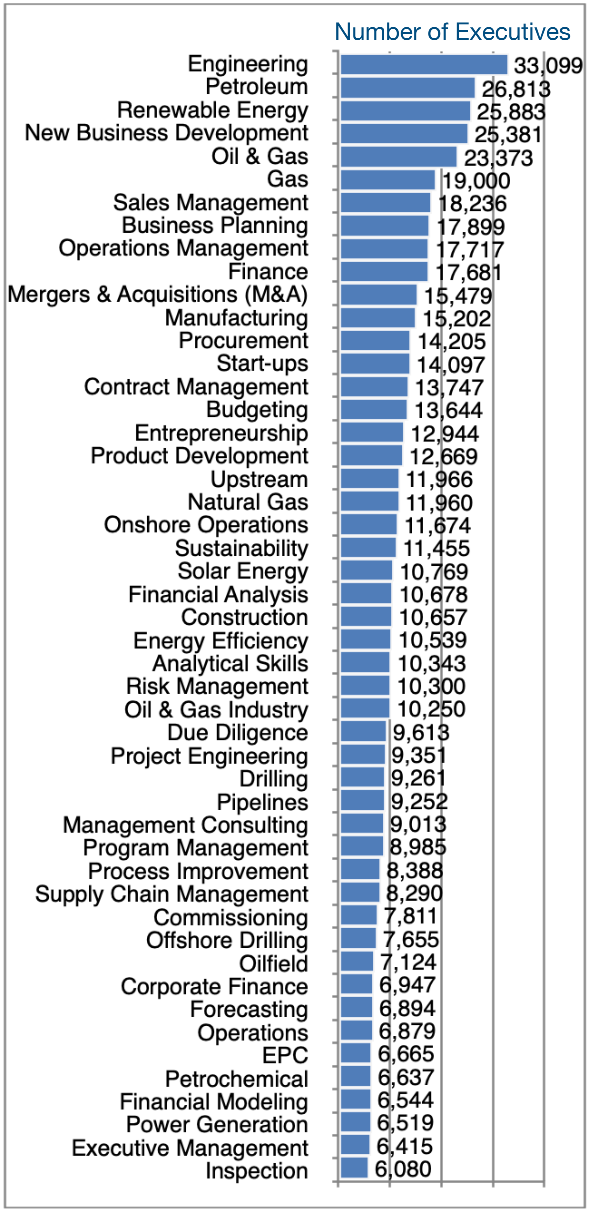
Chart 3: Executive Specialization in the overall Energy industry



and therefore the demand may well remain high even if there is little growth. Indeed, the underlying O&E growth in Financial Services executives was -1% in the past year even as the demand for such talent remains very high.

While these few examples may seem merely tantalizing, rest assured that Barrett Group clients have access to a broad array of research data via their six-member client teams—including industry, geography, company, competitors, and even individual interviewer profiles, for example in advance of a job interview.

Charts 3 and 4 compare the relative populations of executives highlighting specializations on their LinkedIn profiles in the overall Energy industry (Chart 3) and the Renewables & Environment (R&E) segment thereof (Chart 4). Bear in mind that one executive will probably flag more than one specialization on his/her profile, however, the differences are fairly obvious as Petroleum, Gas, or Oil & Gas come out high in the overall Energy industry ranking but are not relevant in the R&E segment.

Engineering and New Business Development make the top five in both cases, but there the divergence becomes even more pronounced with Solar Energy and Sustainability in the top five in R&E but only ranking in the 20s overall.

Still, via this overview of specializations it seems there are clear transferability options from within overall Energy sector or even from outside Energy into R&E—the fast-growing segment.

Chart 4: Executive Specialization in Renewables & Environment

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One would, of course, expect the major oil companies to come out on top in the overall Energy market, and they do (Chart 5), and as we mentioned earlier, they are all showing much higher growth in

Chart 5: Top Employers of Executives (Energy)

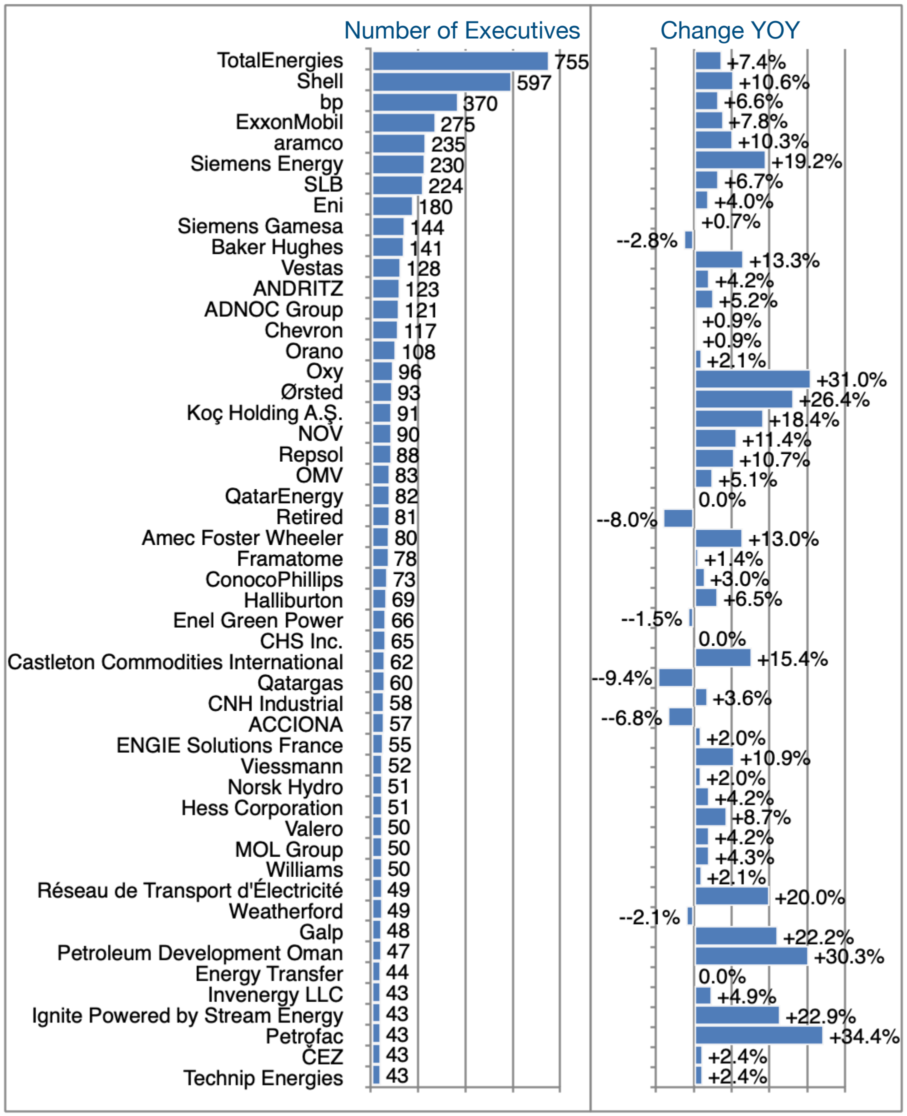
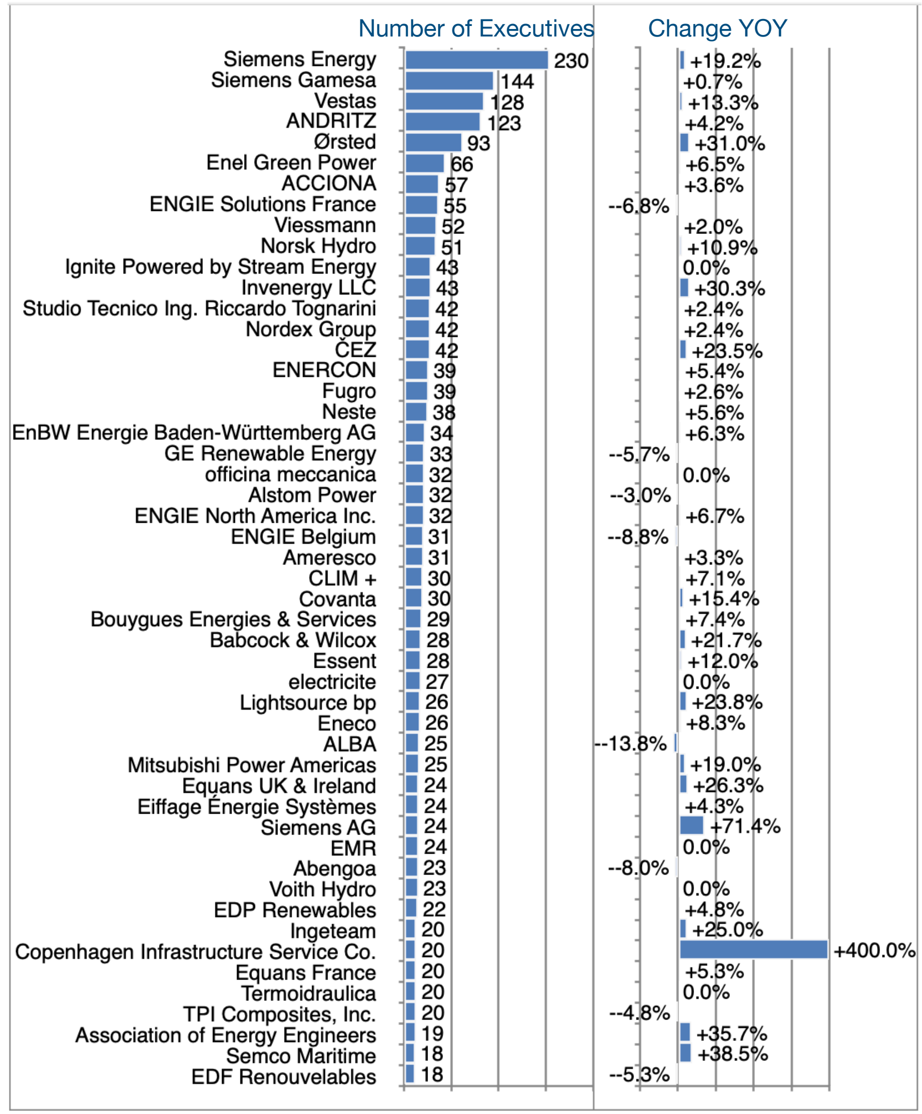


Chart 6: Top Employers of Executives in the Renewables & Environment Segment



executive headcount than the industry as a whole, leading us to believe that smaller companies must have actually contracted.

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TotalEnergies, for example, acquired the commercial and industrial business of Sun Power Corp. in February 2022, adding 133 staff in the process. Otherwise, Total Energies brought in talent from most of its direct competitors as well as a smattering of consultants from EY, Deloitte, and Accenture.

Shell sold off its interest in a refinery to PEMEX (Mexico) in January 2022, shedding 95 staff in the process, moved employees to Raizen as part of a deal involving ethanol production in Brazil, and also added significantly from direct Energy rivals as well as Accenture, IBM, Deloitte, and Capgemini among others.

BP has hired from major competitors, too, but also brought in resources from Amazon, EY, and Baker Hughes. The company also apparently shifted staff to its JV partner in Angola, Azule Energy during the past year.

ExxonMobil hired significantly from its major competitors (mainly Shell, Total, and Chevron) in addition to XTO Energy, as well as consulting firms including Accenture (Argentina), EY, Deloitte, and a small number from Amazon.

Aramco brought in staff mainly from King Fahd University, SABIC, and Maaden in the region, as well as Wood (Scotland), Saipem (Italy), and Amazon.

It is interesting that Siemens Energy actually shows up on both Charts 5 and 6 in the top ranking—the only firm to achieve that. "Siemens Energy AG is an energy company formed by the spin off of the former Gas and Power division of Siemens Group and includes a 67% share of Siemens Gamesa." (See Source).) Headquartered in Munich, the firm has acquired talent mainly from its mother company, Siemens, as well as Hitachi Energy, Siemens Gamesa, ABB, GE Power, Honeywell, and Tata Consultancy Services.

So let us shift over to the top players on Chart 6, Vestas (vestas.com) who has this to say about their services: "Vestas now service more than 55,000 wind turbines and more than 10,000 dedicated service technicians across 74 countries work committedly to maintain and support the biggest wind turbine fleet in the world."

Vestas has hired mainly from Siemens Gamesea, GE Renewable Energy, Nordex Group, Orsted, Accenture, REVTECH, and Global Wind Service. The company's staff is distributed quite broadly across Denmark, Colorado, Oregon, Spain, Portugal, Italy, India, the Philippines and has additional outposts in China, Brazil, and other locations.

Headquartered in Austria, Andritz manufactures equipment for a number of industries, some of them, such as hydroelectricity, highly relevant to renewable energy. Andritz has hired from its own competitors such as Valmet (Finland), Bühler Group (Switzerland), and Voith Hydro (Germany), as well as GE Power and GE Renewables, Klabin (Brazil), and FL Smith (Denmark).

Based in Denmark, Orsted, also participates in the wind and solar power generation segment with operations in Denmark, the UK, Poland, Kuala Lumpur, the US, Germany, Ireland and other countries including China. In 2022 the company acquired staff from Siemens Gamesa, Vestas, Vattenfall, Ramboll, and TotalEnergies among others.

Forbes highlights the prospects and the challenges for renewables as follows:

"Over the past decade, global renewable energy consumption has grown exponentially, at an average annual rate of 12.6%. Renewables were the only category of energy that grew globally at double digits over the year and the past decade."

"But here is the challenge the world faces. Against the backdrop of the 5.1 exajoule global increase in renewable energy consumption, global energy demand increased by 31.3 exajoules in 2021 — over six times as much. Based on the current trends it would take over a decade before renewable growth can match global energy demand growth." (See Source.)

In other words, the prognosis for continued rapid growth in the renewables segment is highly favorable.

The geographic distribution of executives in the O&E versus R&E segments varys quite distinctly. While all too often New York houses

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more executives than any other location, in the O&E market, and therefore in the overall Energy market, Houston has the largest population (Chart 7), albeit with low growth but still high hiring demand. New York comes in second, followed by Dallas, but only London in the top five shows significant growth and very high hiring demand. In Houston, ExxonMobil, OXY, and ConocoPhillips are the largest employers of executives in the sector. The Barrett Group's research teams help clients identify targeted employers in all major markets, including specific excutives who are involved in interview

Chart 7: Executive Locations (Energy)

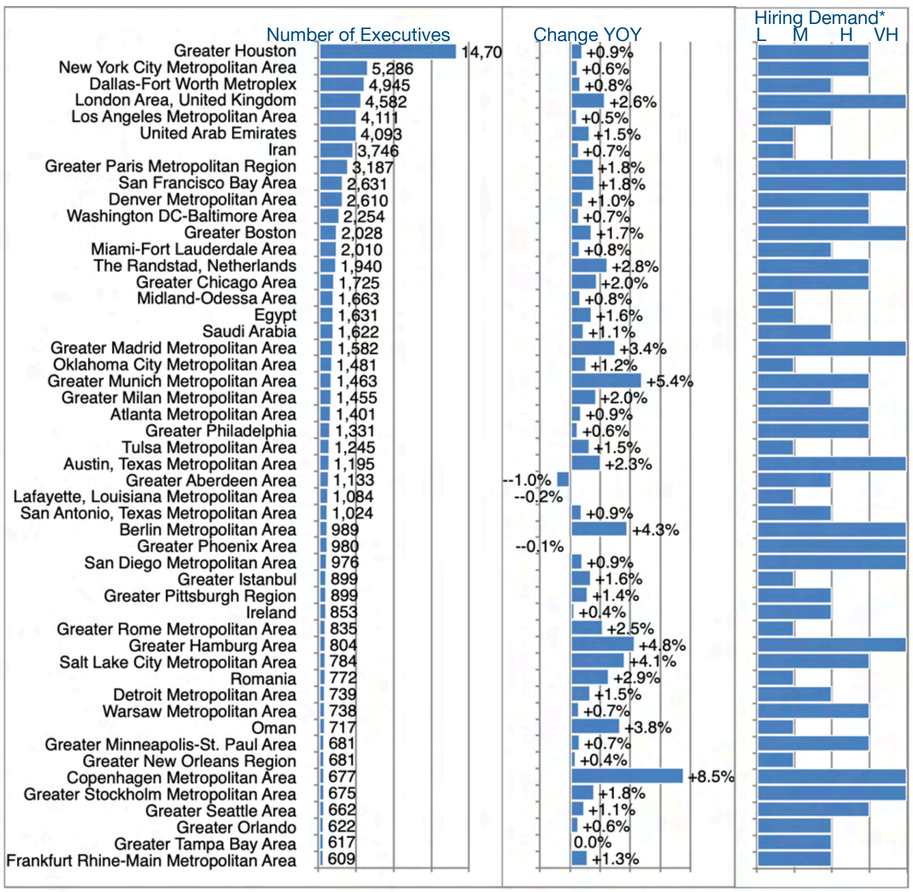
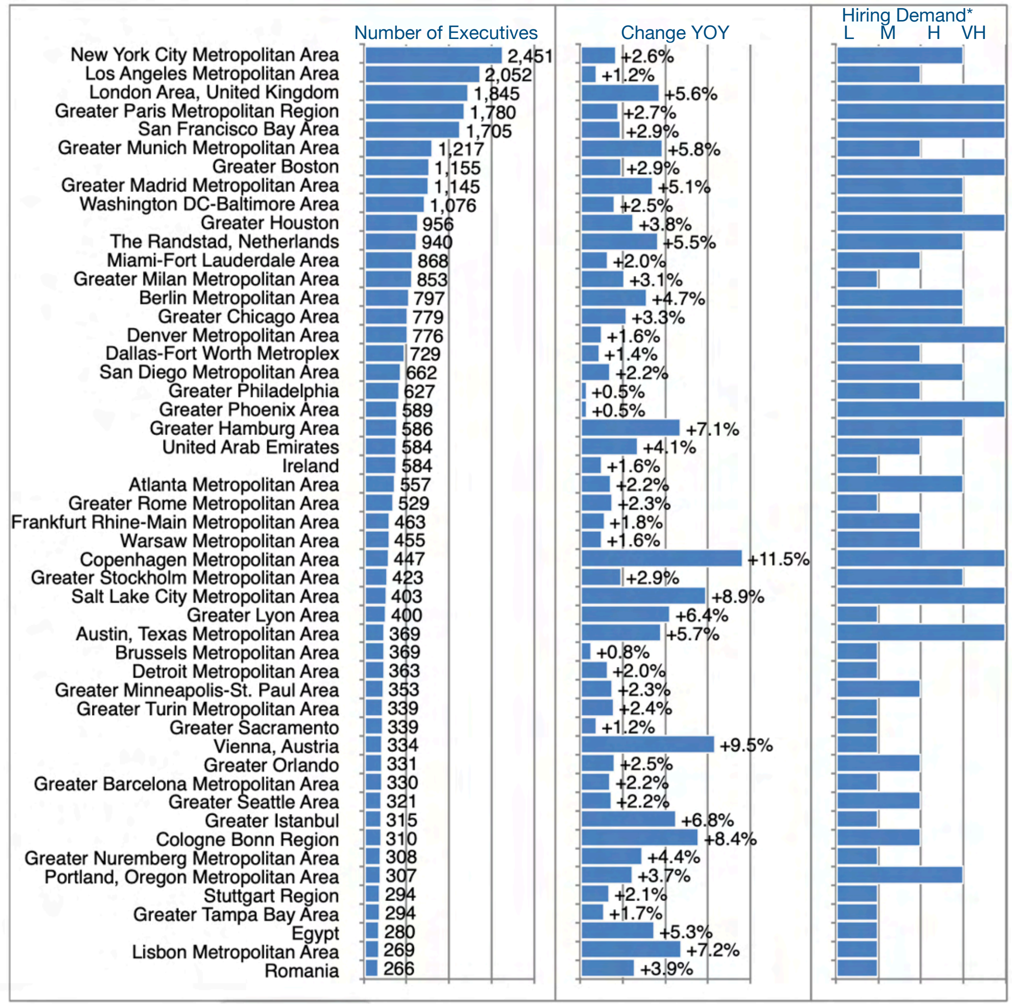


Chart 8: Executive Locations (R&E)



processes. Certainly the energy sector will see some significant changes going forward that will affect hiring location and in particular the skill sets companies seek, so it behooves candidates to have conducted up to date research before entering into any specific discussions with prospective employers.

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Regionally, we should expect significant development and divergence in the coming years, particularly as the R&E market takes off.

The Economist, for example, reports on the development of Europe's North Sea as an energy resource saying, "The North Sea's strong winds and relative shallowness together make it a huge basin of potential energy. Thanks to taller and more powerful wind turbines, more efficient undersea cables and other technological advances, it is now increasingly being tapped. A group of nine countries near this body of water has **plans to install 260gw of offshore wind power by 2050—nearly five times that produced worldwide today, and enough to power all of the European Union's nearly 200m households**." (Source: The Economist, January 5, 2023, *Why the gusty North Sea could give Europe an industrial edge.*)

In fact, as we reported in our focus on Private Equity (see box at right), "Green energy and related infrastructure projects are clearly a major focus for the coming years. The US will invest more than $500 billion. The EU plans to invest €584 billion through 2030. And even India also expects to invest $500 billion. These are only three large but hardly unique examples. The same trend continues essentially worldwide. Much of this spending will attract private investments as well. And almost all of it will create executive opportunity." (See Source).

Even the Middle East is investing heavily in a greener future, as the Economist reports: "Overall, Saudi Arabia aims to build 54GW of renewable capacity by 2032. Not to be outdone, the UAE is eyeing 100GW of renewable energy by 2030, at home and abroad, up from a cumulative investment in 15GW-worth in 2021." (Source: The Economist, December 24, 2022, *When brown meets green*.)

As we have mentioned elsewhere, Private Equity is also piling in on the country-level investment trends, supporting electric vehicle, battery, wind, solar, and particularly hydrogen start-ups and early stage companies as they race to bring their technology to market and scale rapidly.

Indeed, perhaps now is a good time to reconsider your industry of choice.

Private Money in Your Future

Private Equity is transforming business as we know it— a trend that the Barrett Group explores in a four-part series:

Dry Powder introduces the subject, helping readers to understand how pervasive Private Equity has become, as well as the vast sums of cumulative funds raised for future investment—all of which generate executive opportunity.

Who's Who and What's What provides an overview of what is going on in this mysterious but fascinating, not to mention, fast-growing business segment. For example, 300 firms raised more than $1.85 billion in the past year—each. Discover who they are and their industrial focuses.

Life After Landing follows up on dozens of Barrett Group clients who have joined Private Equity portfolio companies in a wide range of executive positions, proving that making the transition to new roles and industries is more than just a pipe dream.

Be Part of the Bigger Picture encourages executives to look beyond their own executive trajectories and consider how they may leverage the transferability of their skills and experience to benefit from major business trends—especially green energy.

INDUSTRY UPDATE: Big Tech

Big Tech

INDUSTRY UPDATE: Big Tech

Introduction

When minus 26.8% is the best performance in a peer group, clearly the group's performance was dismal. And yet, that is how 2022 shook out for big tech stocks:

Change in	Market Cap. (Bil.)	Stock Price
Apple	-$846	-26.8%
Amazon	-$834	-49.6%
Microsoft	-$737	-28.7%
Meta	-$464	-64.2%
Alphabet	-$787	-39.0%

They were not alone, of course, with other tech darlings such as Salesforce or Tesla also performing poorly. In fact, the entire tech-heavy NASDAQ ended up -33% versus the more balanced S&P 500 at "just" -20%. (See Source and Source.) Rising inflation, crypto's trauma, general market anxiety, increasing interest rates, and outright mistakes such as Meta's big bet on the Metaverse all played a role in these negative consequences, but the underlying health of these companies is not in question, especially as most of them reacted by slashing employment in late 2022 or early 2023.

Company:	Layoffs	Share of Employed (See Source.)
Amazon:	18,000	(1.2%)
Alphabet:	12,000	(6.4%)
Meta:	11,000	(12.6%)
Microsoft:	10,000	(4.5%)

The same source goes on to quote the respective CEOs generally along the lines, "We hired too many as the pandemic subsided and now we have to rightsize the company for the business we expect."

We are of course sympathetic to all who were affected by these layoffs, but … "Sacked techies should not struggle to get work. Lots of old-economy firms need their skills. Walmart, despite its lay-offs, keeps snatching up data scientists and other hypernumerate types. Already 59% of tech professionals work outside the tech sector […]" (Economist: December 4, 2022, Is a white-collar recession looming?)

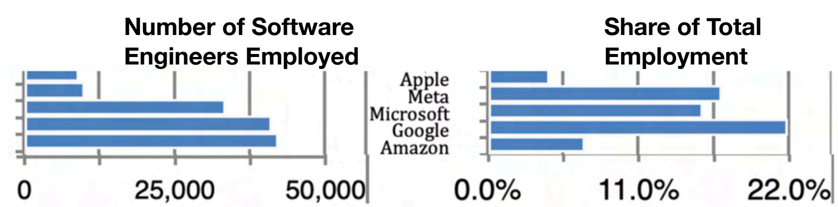
Let us also consider that there exist only moderately relevant parameters to compare between these companies who by and large are not in direct competition with each other except in discrete parts of their businesses.

Famously, Amazon sells products (branded and own-label) and provides web server capacity and services. To attract eyeballs it also *gives away* content (or makes it available cheaply) via its Prime Video unit, content that a Disney or Netflix relies on to *sell* as part of their core businesses. Apple also makes products but only its own while it attempts to creep into the content business. Alphabet (Google) provides search services and sells advertising—so effectively that it has attracted competition authorities in both the US and Europe and may be required to sell off or open up in coming years. Microsoft mainly sells or licenses software. Meta provides a number of social media platforms and sells advertising.

So what do they have in common? Skilled executives, for one.

This describes the general situation for why the executive market has developed as it has: "Managerial and professional occupations now make up 44% of total employment, up from 34% in 2000, according to the [US Bureau of Labor Statistics…]." "Automation and offshoring have meant fewer technicians and cashiers, but lots more business analysts and systems architects." [The Economist, *Is a white-collar recession looming?* December 4, 2022.]

However, the way that these five tech companies utilize talent is demonstrably different, presumably due to their different strategies. We will cover more details later, however, here is a snapshot of one professional focus (software engineers) and a direct comparison of the number employed and the share of the overall workforce (per LinkedIn and generally *before* the most recent restructuring.)



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Simply put, Apple and Amazon do not need such a large share of software engineers because their business is more about physical products than software. Now let us review these firms' prospects briefly.

Stock analysts' consensus points to strong performance from Apple in 2023 due to Apple's leadership in the smart phone market and continued robust demand for the latest iPhone models. The company's services segment is also expected to improve (e.g., Apple TV). (See Source.)

Amazon has encountered significant headwinds in 2022 that will not necessarily abate in 2023, specifically a slowing of consumer spending as well as a slower growth in demand for its AWS services. However, for the longer term, the company is very well placed with improving advertising revenues, growing share of e-commerce in overall retail, and the market for cloud services still significantly underdeveloped. (See Source.)

Alphabet has also suffered due to stalled advertising revenue growth in 2022, and may see more pain before things get better, but, the outlook for on-line advertising continues to be rosy in the long run, and that bodes well for the company's main business, Google. It is difficult to assess the probability of regulatory action at the moment as the US Justice Department has only recently filed its action. However, two other important positives for the company include You-Tube which generates "ad revenue that's in the same ballpark as streaming giant Netflix's total revenue" (see Source.) and the Google Cloud business that is well positioned to take share as companies continue to migrate toward cloud-based solutions.

While it is the largest software company by sales in the world, that legacy also weighs on Microsoft as PC sales continue to soften. Continued working from home may reverse or slow this decline. Companies' on-going process digitization and migration to the cloud will lift Microsoft as well. Whether AI-driven ChatGPT will be a game changer is still an open question. (See Source.) The integration of LinkedIn into Microsoft seems to be proceeding rather slowly so far (see Source) possibly so as to avoid mistakes the company has made on acquisitions in the past. Then there are Microsoft's gaming ambitions, even if their most recent Activision purchase is in limbo (see Source), in the console market, Microsoft's Xbox holds roughly a 20% revenue share that is expected to grow. (See Source.)

Meta (Facebook) has an even more complicated story. "Meta has seemingly gone the route of Amazon.com's […] strategy of reinventing itself at the literal expense of short-term earnings. If the company's pivot to the metaverse is successful, it may stand as one of the most impressive pivots investors have seen from a tech company over the next couple of decades." (See Source.) Meta faces the challenge of cutting operating costs while investing in the infrastructure required to realize its virtual reality vision even as competition in the on-line ads market heats up. "The bottom line is that Meta's US digital advertising market share is set to contract significantly this year, from 23.6% to 18.4%, according to eMarketer." (See Source.)

Comparisons then between these companies are of limited value because many of these firms' competitors are actually in other industries (entertainment, retail, electronics, and gaming). Straddling multiple verticals can be an advantage, of course, but also a distraction or an outright drain on resources.

One factor that unites them is that they all require top notch executive talent to navigate these stormy seas.

Editor's Note:

In this particular Update "executives" will generally refer to the Vice President, Senior Vice President, Chief Operating Officer, Chief Financial Officer, Managing Director, Chief Executive Officer, Chief Human Resources Officer, Chief Marketing Officer, Chief Information Officer, Managing Partner, General Counsel, Head, and President titles. Unless otherwise noted, the data in this Update will largely come from LinkedIn and represents a snapshot of the market as it was at the time of the research. Is LinkedIn truly representative? Here's a little data: LinkedIn has more than 800 million users. (See Source) It is by far the largest and most robust business database in the world, now in its 19th year. LinkedIn defines the year over year change (YOY Change) as the change in the number of professionals divided by the count as of last year and "attrition" as the departures in the last 12 months divided by the average headcount over the last year.

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Obviously the recently announced restructuring programs are not yet reflected in these figures. We plan to provide an update after the results have settled somewhat.

The Executive Market

These five companies employ approximately 2,500 executives as we define them (see Editor's Note), a population that grew by 11% in the past year with another 13% having changed jobs in the same period. All in all, that is a very high "churn" in comparison to other industries. At the same time, LinkedIn reports that the median tenure for these positions is a rather long 6.3 years. Almost 1,600 of these roles are in the US while the balance are in the EU, UK, and Middle East. According to LinkedIn, here are their respective Executive headcounts:

	Execs	YOY Change
Amazon	769	+19%
Microsoft	646	+8%
Google	636	+5%
Apple	218	+26%
Meta	187	-6%

Chart 1 provides an overview of the titles in this group of firms which indicates the extremely concentrated structure of the top leadership (very few C-level in comparison to all other senior manager positions). "Head" seems to be the most popular title followed by MD and Vice President.

Chart 1: Titles

Big Tech has its own geography, too, as we see from Chart 2 where the preponderance of positions still lies on the West Coast followed by New York, London, and the UAE. Microsoft and Amazon predominate in Seattle with some 106,000 total staff between them while Apple, Google, and Meta employ 110,000 in the San Francisco Bay area. Google and Amazon employ about 34,000 in New York while the other three station a further 3,000-5,000 each in that city. Amazon has 11,000 or so in London while the others staff smaller contingents of 3,000-5,000 there. Executive populations reflect these employee concentration, of course. (See the Appendix for more details.)

Chart 2: Executive Locations

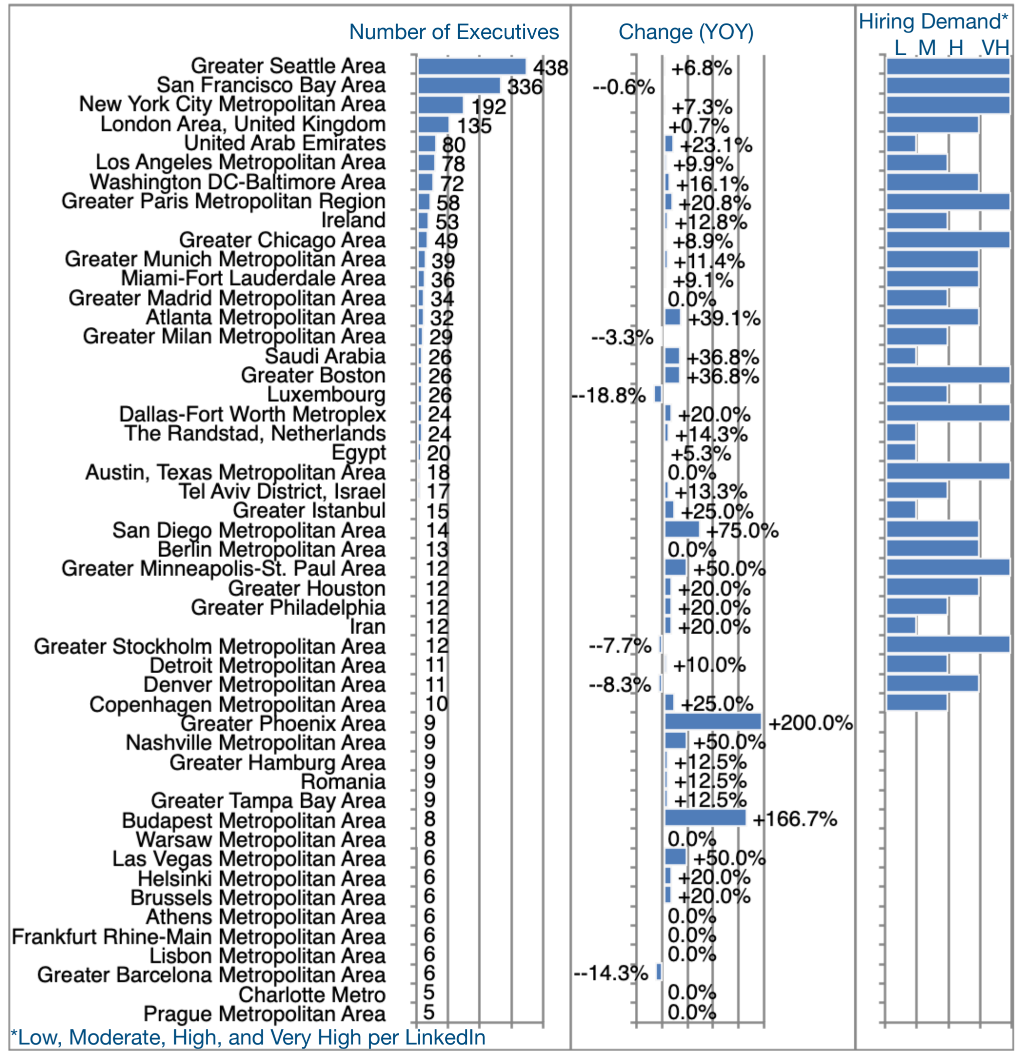

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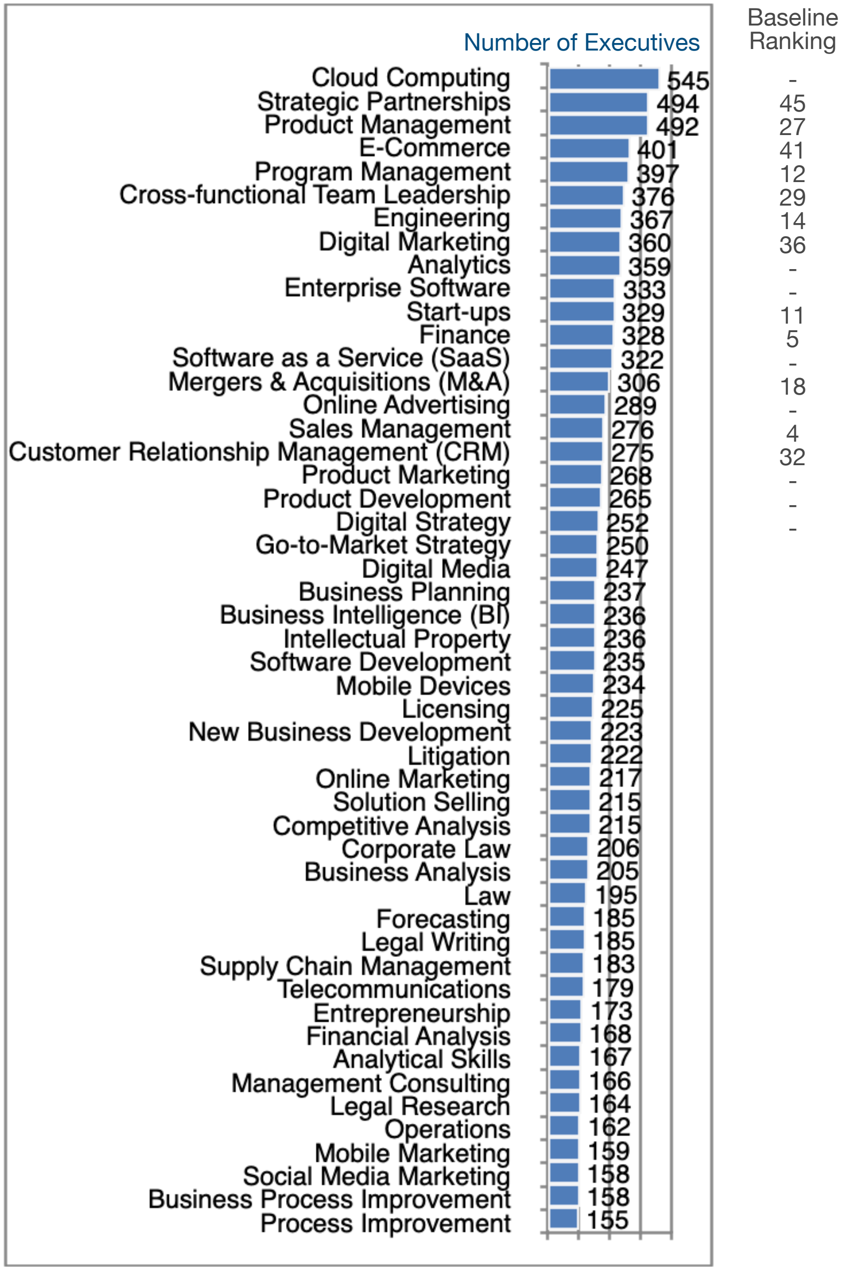
Chart 3: Big Tech Specializations



Bearing in mind that most executives will have more than one string to their bows, so to speak, Chart 3 profiles the specializations of this executive population as they have recorded them in their LinkedIn profiles.

As a means for evaluating what is particularly important to these companies versus the mass of executive employers, let us compare specialization rankings. Taking the entire 8.5 million executive population that the Barrett Group refers to as "executives" in the US, EU, UK and Middle East (see Editor's Note for further definition) as a baseline cohort, Cloud Computing does not even show up in the top fifty specializations. Strategic Partnerships does, however, though at a rather distant #45 in the ranking versus #2 for Big Tech, so clearly this is more important for the Big Tech cohort.

To simplify this comparison we have added the Baseline Ranking for the first twenty Big Tech specializations in Chart 3 in the "Baseline Ranking" column. As a refresher, in Chart 4 we display also the top twenty specializations in the baseline cohort.

Chart 4: Baseline Specializations

Even though the Big Tech firms are not highly comparable, they are all large in scale so that the degree of specialization is very different than in the baseline cohort. Since most of their sales occur on line they have a very different relationship to the sales function, for example, and do not require as many sales executives relative to their sales. The same is true with the New Business Development function probably for the same reason.

Barrett Group clients have access to considerably more granular data, of course, critical for choosing target employers or preparing for interviews. Here we can only offer general overviews that may prove helpful in the first

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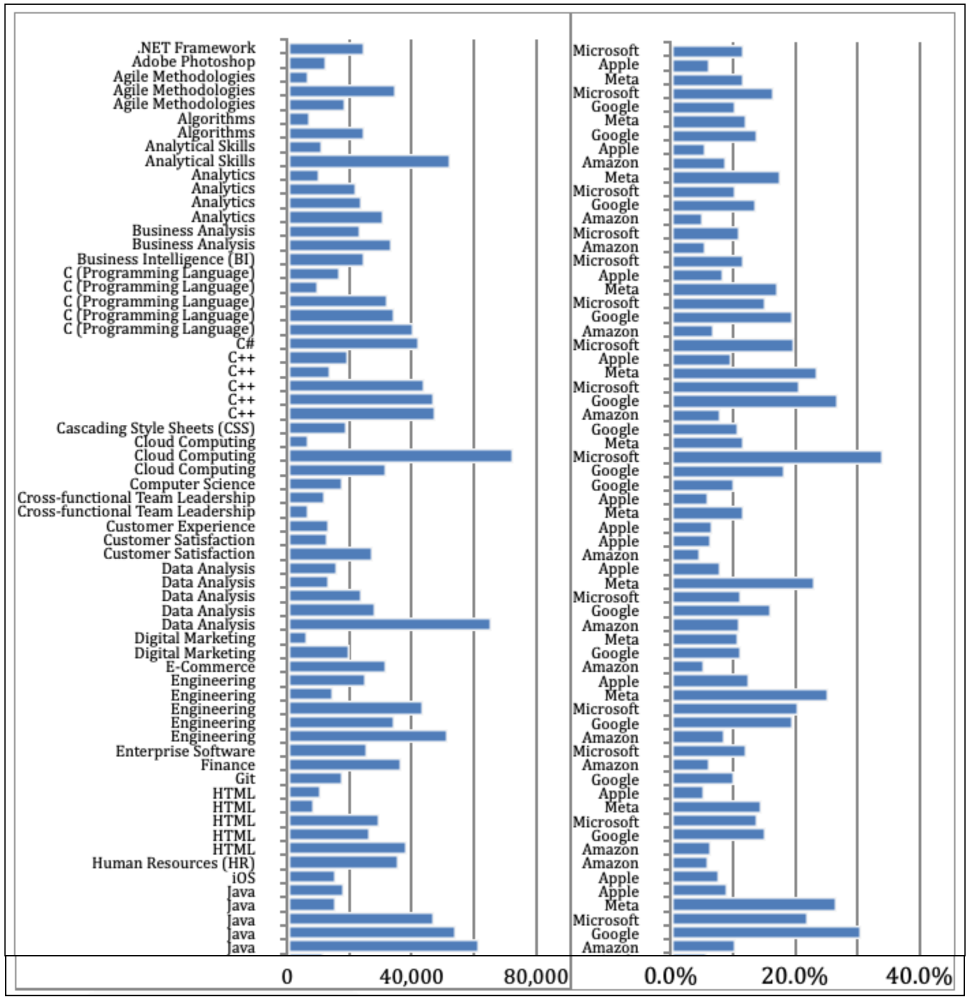
stages of a career change initiative. Considering the vast resources that Big Tech puts into programming, it may be a little surprising not to see more executives involved in managing that function. As a sampling, please see Chart 5 that summarizes the programming employment (not only execs) within Big Tech. .Net Framework, C, C+, HTML, iOS, Java, Linux, Python, SQL… the list of software languages and the numbers involved are both fairly staggering. This may also explain some of the layoffs in 2022 and 2023: hiring greatly exceeded current requirements.

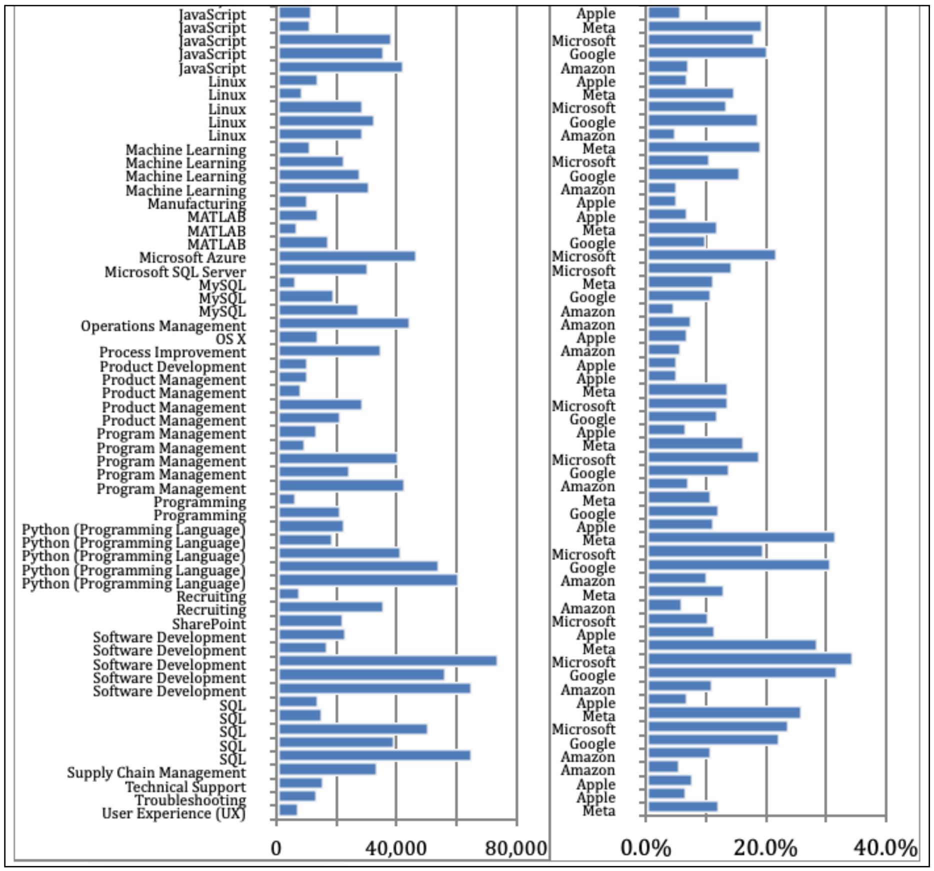
Contemplating Chart 5 there are also interesting *dissimilarities* such as Amazon's focus on Supply Chain Management and Human Resources (given its enormous workforce), or the fact that only Apple and Amazon show significant resource under Customer Experience and/or Satisfaction. Perhaps other firms use other names for these skills.

Chart 5: Total Staff Specializations

Specialization Total Staff Involved Employer Share of Total Employment



Specialization Total Staff Involved Employer Share of Total Employment



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Customarily in each Industry Update we like to examine the movement of staff to and from players experiencing large changes. This may not be a good time to make this assessment, however, because of the restructuring that has been announced by all but Apple among the Big Tech cohort.

Here is how one source put it: “Apple never hired at the pace of these other tech giants, […] You’ll see cost-cutting around the edges, but Cupertino — I mean, they're tacticians...I think it just shows why Cook is a Hall of Fame CEO. And I think he's able to navigate another situation here in terms of not needing to do the layoffs that other tech firms have done.” (See Source.)

In fact, Apple seems to be on a talent acquisition spree at the moment based on the very short term movements visible through LinkedIn, major talent donors include Amazon, Microsoft, Qualcomm, and Intel. Indeed industrially speaking, some 800 staff (not only executives) in the Semiconductor industry joined Apple in the past year, 500 from Higher Education, 400 from Apparel & Fashion, 400 from Retail, and another 270 from Telecommunications.

Alphabet (Google) shows a net 1,400 departures (all staff, not just executives) already in January 2023 per LinkedIn, but, looking back at the year past, there have also been significant staff additions from the Computer Software (+4,000), Internet (+2,600), IT & Services (+1,800), Higher Education (1,100), and Marketing & Advertising (+800) industries. Major donors included Amazon and AWS, Microsoft, Mandiant (now part of Google Cloud), Salesforce, Meta, Oracle, and even Apple.

Amazon despite prior and coming layoffs shows a gain in employment in January 2023 per LinkedIn. Over the past year, net talent acquisition (of all staff, not just executives) stems from the IT & Services area (+2,600), Higher Education (+2,400), Retail (+800), Banking (+900), and Management Consulting (+800). Major net talent donors included Accenture, Tata Consultancy Services, and Deloitte.

Microsoft shows a fairly stable total employment still in January per LinkedIn. Over the past year, industries of focus in terms of all staff have included Computer Software (+1,500), IT & Services (+3,000), Internet (+700), Higher Education (+900), Telecommunications (+900), Management Consulting (+700), Computer & Network Security (+400), Banking (+400), and Semiconductors (+400). Major sources for these employees comprised Amazon and AWS, Oracle, IBM, Accenture and Xandr.

Meta shows a spike in departures during January 2023, in line with its public pronouncements. Over the past year, the company has recruited staff (not just executives) significantly in the Computer Software (+1,800), Internet (+1,700), IT & Services (+700), Higher Education (+900), Banking (+400), Management Consulting (+240), Semiconductors (+240), Financial Services (+170), and Capital Markets (+160) industries. The major talent contributors included Amazon, Microsoft, Apple, Kustomer, and Capital One.

Chart 6: e-Commerce Executive Industries for Comparison

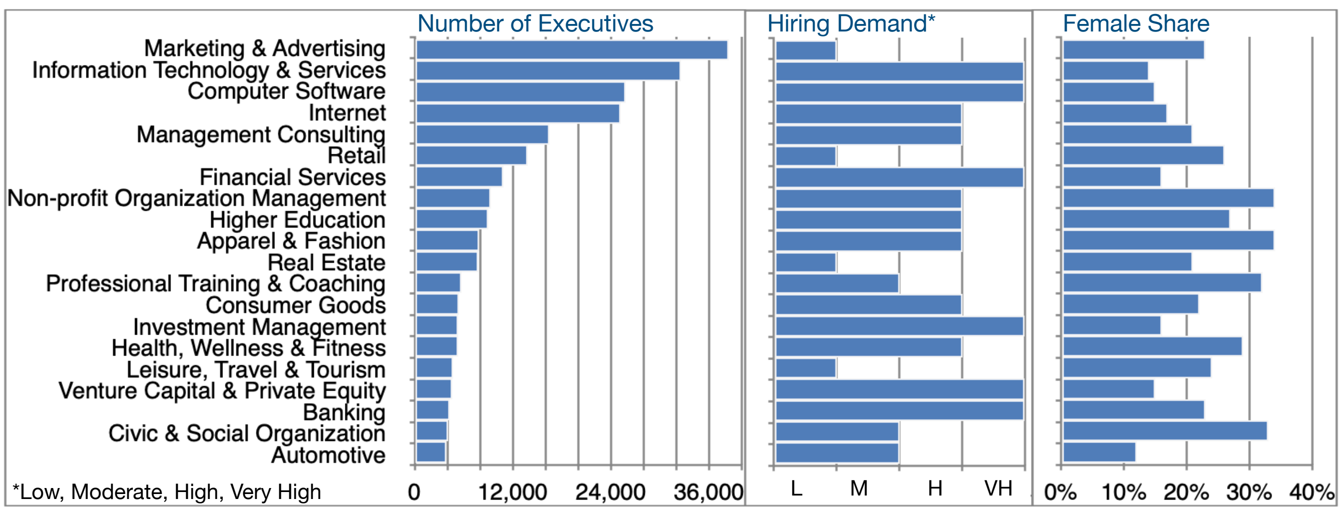

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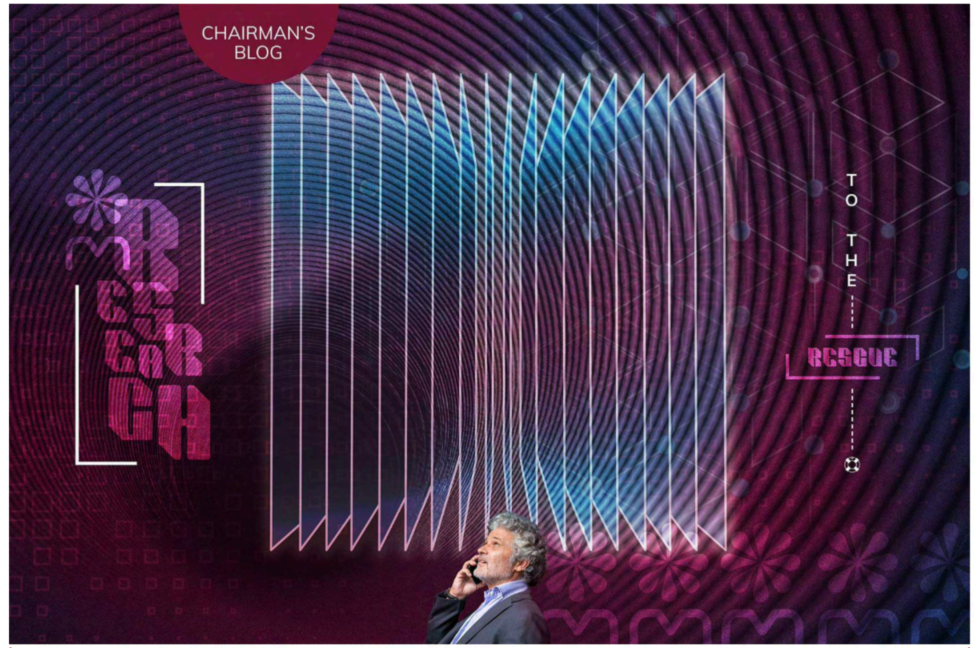
Chart 6 provides a window of comparison to e-commerce executives, albeit an imperfect one because e-commerce firms also differ widely in terms of their commercial objectives and service or product offerings, however, they do provide a useful comparison to Big Tech. Many of the industries we have just reported as being in focus for Big Tech also rank at the top of the list for e-Commerce, in particular IT & Services, Computer Software, Internet, Management Consulting, and Retail. As noted above, the number of Marketing & Advertising execs in Big Tech is relatively smaller most likely due to their sheer scale.

Note too that these industry executives (Chart 6) are not all equally in demand. LinkedIn provides not only the growth data year over year per industry but also the relative strength of hiring demand. Higher Education, for example, shows up frequently in Big Tech's hiring activity and is also in high demand per the e-Commerce cohort. On the other hand, Retail seems overall to experience lower demand though it did play a larger role for Apple and Amazon.

We do not have specific data from LinkedIn on the gender composition per company and therefore cannot profile this in the Big Tech cohort, but we can see from the aggregate e-Commerce data (Chart 6) that the share of female executives in these industries is relatively low overall with a few spikes in Non-profit Organization Management, Apparel & Fashion Professional Training & Coaching, and Civic & Social Organization. Big Tech and e-Commerce firms are all likely to be incentivized to improve this diversity performance over time hopefully because it makes good business sense or at least due to pressure from ESG investors.

We encourage readers to look beyond the short term pain in the Big Tech companies and see the bigger picture. While Alphabet may yet have to shed business units due to regulatory pressure, none of these firms is in danger of capsizing. Rather, they all will be around in the longer term, though their business models may well morph surprisingly.

As one recently downsized executive told the Barrett Group, "It's never a bad thing to have Google on your resume." The same can be said for any of these Big Tech firms.



Research to the Rescue

Typically executives who come to the Barrett Group for assistance in their career change initiatives are not afraid of hard work, but they would rather put their efforts into well directed campaigns supported by strong research so as to have a high likelihood of achieving their professional objectives as quickly as possible.

By this time, readers may have gained an appreciation for the amount of information that the Barrett Group can and does provide to our clients. We also support each client with a six-member team including a research expert who can help sharpen the target(s) and shorten the road to success.

We make it our job to help you find yours! (Read More).

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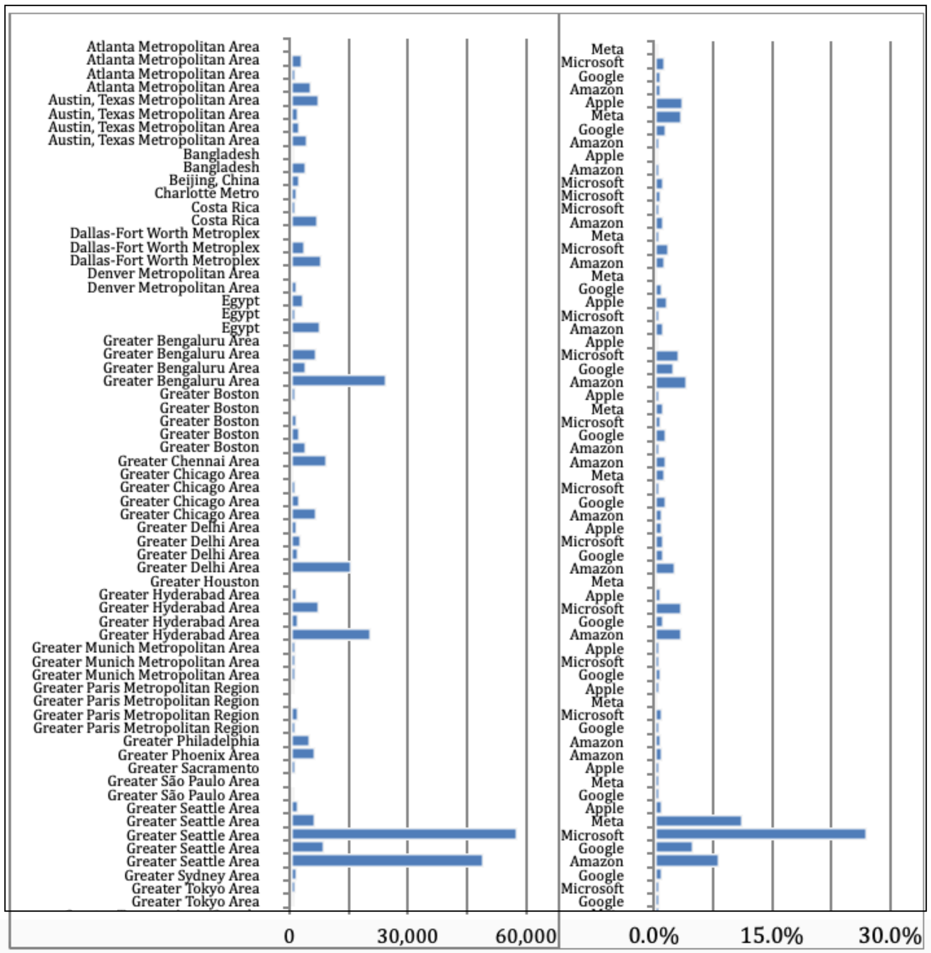
Appendix - Total Staff per Location per LinkedIn

This detailed location data may well exceed some readers' level of interest. Still industry observers will find it interesting to note the geographic resonance or dissonance between these firms. We have already noted the importance of Seattle for Microsoft and Amazon versus the emphasis on San Francisco for Meta, Google and Apple.

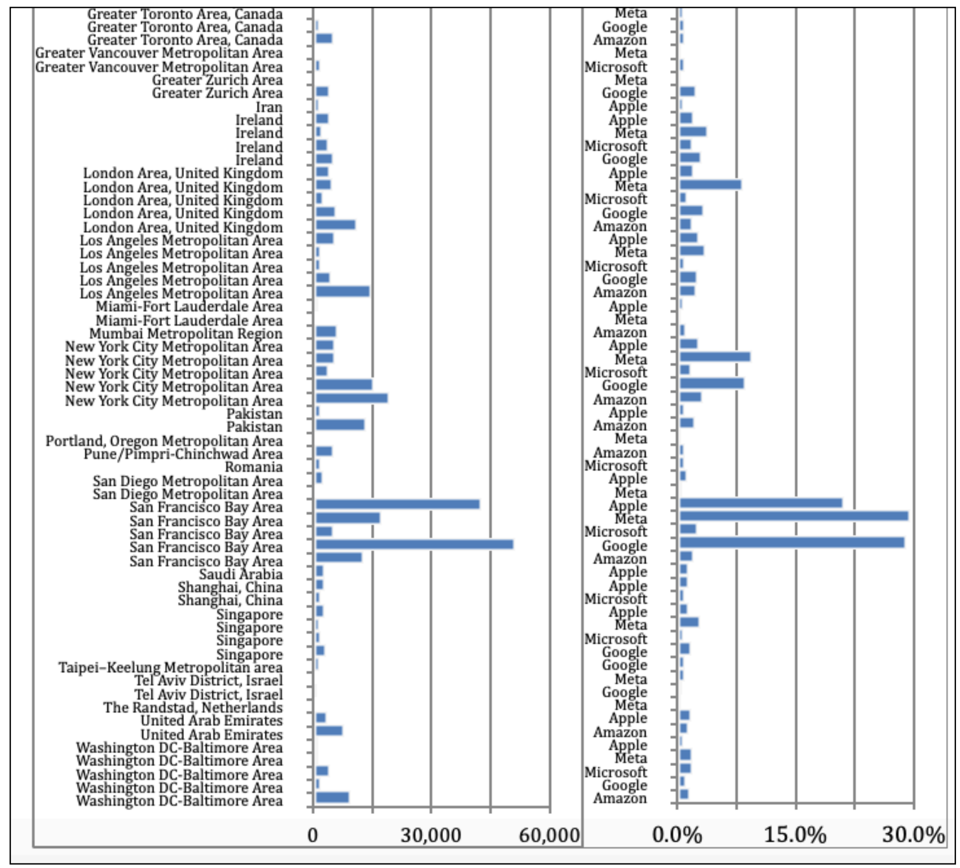
Other locations are perhaps even more interesting as they reveal different emphases: Meta in London, for example, or Bengaluru, Toronto, the UAE, and Washington DC for Amazon. What does Google do in Zurich? How does Ireland fit in for Apple, Meta, Microsoft and Google? What does this mean for executives who want to change countries and companies?

Fortunately, our research team can help curious clients answer these and many other questions.

Location Total Staff Employer Share of Total Employment



Location Total Staff Employer Share of Total Employment



INDUSTRY UPDATE: e-Commerce

e-Commerce

INDUSTRY UPDATE: e-Commerce

Introduction

As a definition of e-commerce “commercial transactions taking place over the internet” seems a bit general. Virtually every business has this characteristic in the meantime. In fact, in this context we usually think of the big firms that have evolved to be largely internet-based sellers of goods. Here, for example, are *allegedly* the largest e-commerce firms by sales (see Source; note: this list excludes players based outside the US, UK, EU and Middle East; four out of the top five worldwide are actually based in China):

	Revenue 2022	Home
Amazon	$502.2 Billion	USA
Wayfair	$ 12.2	USA
Zalando	$ 11.0	Germany
eBay	$ 9.9	USA
Chewy	$ 9.8	USA
Shopify	$ 5.2	Canada
ASOS	$ 4.5	UK

How is the sector evolving? “In 2021, total US ecommerce sales reached $959.5 billion, an 18.3 percent year-over-year increase from $811.6 billion in 2020.” (See Source.)

More recently the US Commerce Department reports, “The third quarter 2022 e-commerce estimate increased 10.8 percent (±1.2%) from the third quarter of 2021 while total retail sales increased 9.1 percent (±0.4%) in the same period. E-commerce sales in the third quarter of 2022 accounted for 14.8 percent of total sales.” (See Source.)

Beyond the e-commerce specialists, brick and mortar firms have been catching up fast too, notably Walmart, Target, Home Depot among many others in the US. For example, “According to recent data, Walmart's online sales […] hit $67.39 billion in 2021, the highest ever recorded. This also makes up 7.2% of the total US ecommerce sales in 2021.” (See Source.) “Globally, ecommerce sales penetration continues to climb, Walmart CEO Doug McMillon said during a Nov. 15 [2022] conference call. “So far this year, 13% of our total sales as a company now start in a digital fashion,” McMillon said, […]. Online penetration for Walmart International, which encompasses Walmart’s non-U.S. operations, is 20%, he added.”” (See Source.)

Morgan Stanley sounds rather upbeat on the prospects for further e-commerce growth, too, saying, “Over the long term, the e-commerce market has plenty of room to grow and could increase from $3.3 trillion today to $5.4 trillion in 2026. “We believe that the Covid-driven bump will not flatten future e-commerce growth,” says Brian Nowak, an equity analyst covering the U.S. internet industry. He sees e-commerce reaching 27% of retail sales by 2026. “Across the world, we have yet to see a ceiling for e-commerce penetration.”” (See Source.)

“…users will be able to try on make-up, accessories, or even clothes in the future.” (Source.)

Europe continues to see growth in e-commerce as well with 91% of consumers now having access to the internet and 75% claiming to have purchased goods on line (see Source). McKinsey reports, “while e-commerce penetration is slightly lower in some EMEA markets than in the United States (online represented 14.4 percent of total sales in Western Europe in 2021 versus 15.3 percent in the United States). In others, it is significantly higher. Online sales comprise 28.3 percent of retailer revenue in the United Kingdom and 18.1 percent in Germany…” (See Source.)

In the Middle East, the forecast is also for significant growth: “…the share of online retail as a percentage of total retail sales in the Middle East stands at little more than 2%. Even in the wealthiest countries of the Gulf

INDUSTRY UPDATE: e-Commerce

Cooperation Council (GCC), ecommerce sales are only 3% of total retail. For comparison, ecommerce in the US reached 2% of total retail sales way back in 2004 and now stands at around 14%. But rapid growth is forecast in the Middle East. Ecommerce sales are expected to increase by more than 11% each year." (See Source.)

What will drive this growth, and what are the hottest trends in e-commerce? There are numerous lists available on the internet. We think this one is reasonably representative of important trends that will affect the development of e-commerce in the near term:

- Leveraging big data for next-level personalization
- Versatile payment options
- Subscriptions to drive retention
- Chatbots for better customer support
- Shoppable video content
- Artificial Intelligence driven strategies
- Augmented and Virtual Reality experiences
- Authenticity and sustainability
- Mobile shopping no longer just optional
- Customer privacy (See Source.)

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It appears then that e-commerce has a lot of running room, and plenty of trends to help power that growth. What does this mean for the executive market? Let's find out.

The Market for Executives

Approximately 250,000 fit our executives definition (see Editor's Note) in this industry vertical, some 130,000 in the EU, UK and Middle East and 120,000 in the US. Overall, this cohort is growing at about 1% per year in the latest period and some 7% have changed positions, meaning there were about 20,000 executive opportunities in this space in the past year.

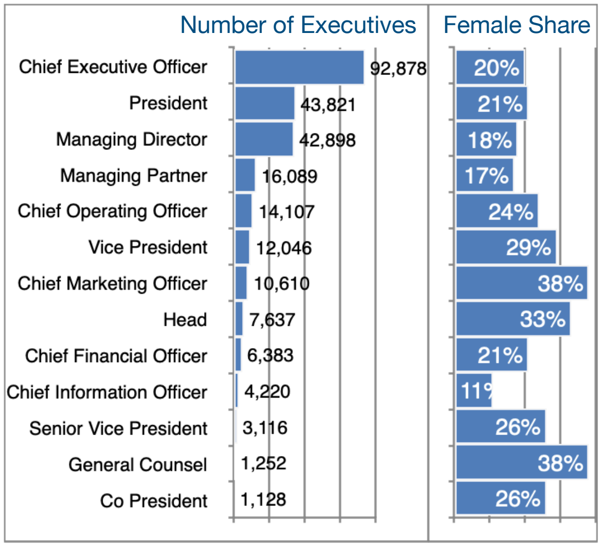
New York, London, Los Angeles, Paris and San Francisco are the most frequent locations for these roles which are predominantly held by men (circa 81%). LinkedIn describes these executives as being hard to find and therefore hiring demand is said to be very high while the median tenure is 2.9 years.

We believe that this industry is relatively unconcentrated, in that the number of CEOs is high relative to the number of Vice Presidents and other titles (see Chart 1).

While the female executive share is relatively low in comparison to some other industries, there are titles that stand out in this respect, notably Chief Marketing Officer and General Counsel.

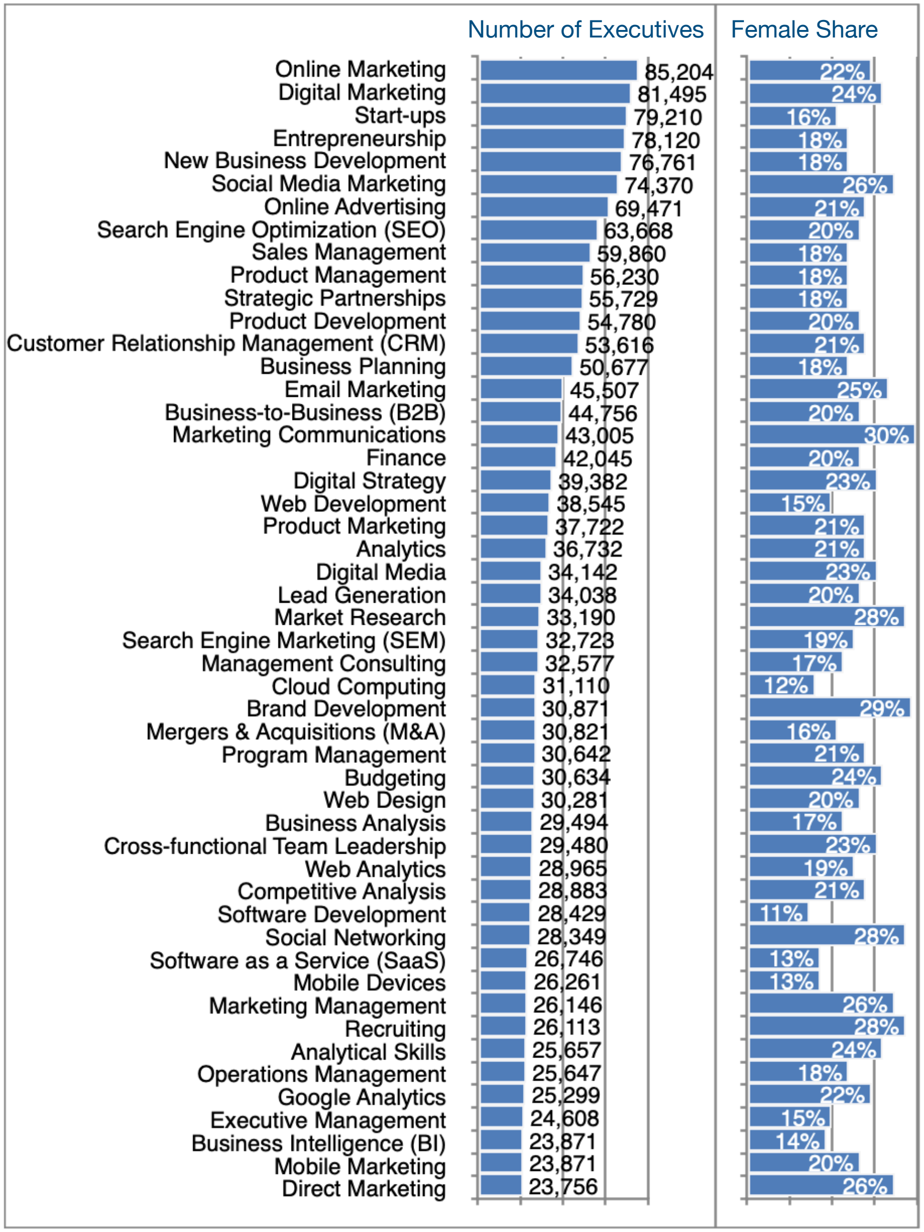
In terms of specializations (Chart 2), not surprisingly, Online Marketing and Digital Marketing top the list, though more general skills such as Start-ups, Entre-

Chart 1: Executive Titles



INDUSTRY UPDATE: e-Commerce

Chart 2: Executive Specializations



preneurship, Business Development, and Social Media Marketing are not far behind. Bear in mind that the specializations listed here are gleaned from executives' LinkedIn profiles and relatively few will list only one specialization.

Nevertheless, if you search the web for "key skills for success in e-commerce" you are likely to find a list such as this one (see Source):

- Copywriting
- SEO
- Facebook marketing
- Graphic design
- Email marketing
- Google analytics
- Product photography
- Accounting
- Project management
- Microsoft Excel

Perhaps the specific references to Facebook and Microsoft might be viewed more generically as social media and analytical skills, however, all of these "key skills" appear in one form or other in Chart 2, though at scale companies need to manage whole teams of people engaged in any given specialization so that the whole dimension of "management" comes into play (e.g., Sales Management, Product Management, etc.).

It is indeed curious that female executives remain relatively scarce in this industry, reaching a peak in predictable subject areas such as Marketing Communication, Brand Development, Market Research, Social Networking, and Recruiting. At least according to one Source, 72% of women and 68% of men shop on line (in the US). The way the sexes shop is also apparently quite different. In short, more female executives would probably be good for this industry's future.

As we often point out, many of the skills listed in Chart 2 are highly transferable from and to other industries, so if you feel that you are in an industry that has little room to grow you might want to consider a change. The Barrett Group's career change process begins with a thorough exploration of clients' interests, experience, skills and aspirations and often leads to surprising epiphanies that may completely change our clients' professional targets. (Learn More.)

Now some of the professionals we are exploring provide services to other companies while some work directly for the service or product supplier. (We will explore employer companies later in this Update.)

INDUSTRY UPDATE: e-Commerce

Whether they work directly for the seller of goods and services or provide services to another company, which *industries* actually employ e-commerce executives?

Chart 3 explores this question showing that about half of these executives are engaged in just four industries: Marketing & Advertising, Information Technology & Services, Computer Software, and Internet while Retail comes in only in sixth place.

In the past year, Non-profit Organization Management, Venture Capital & Private Equity, Staffing & Recruiting all grew about four times faster than the e-commerce segment as a whole, followed by Investment Management, Management Consulting, and Accounting—all growing 2 to almost 3 times faster.

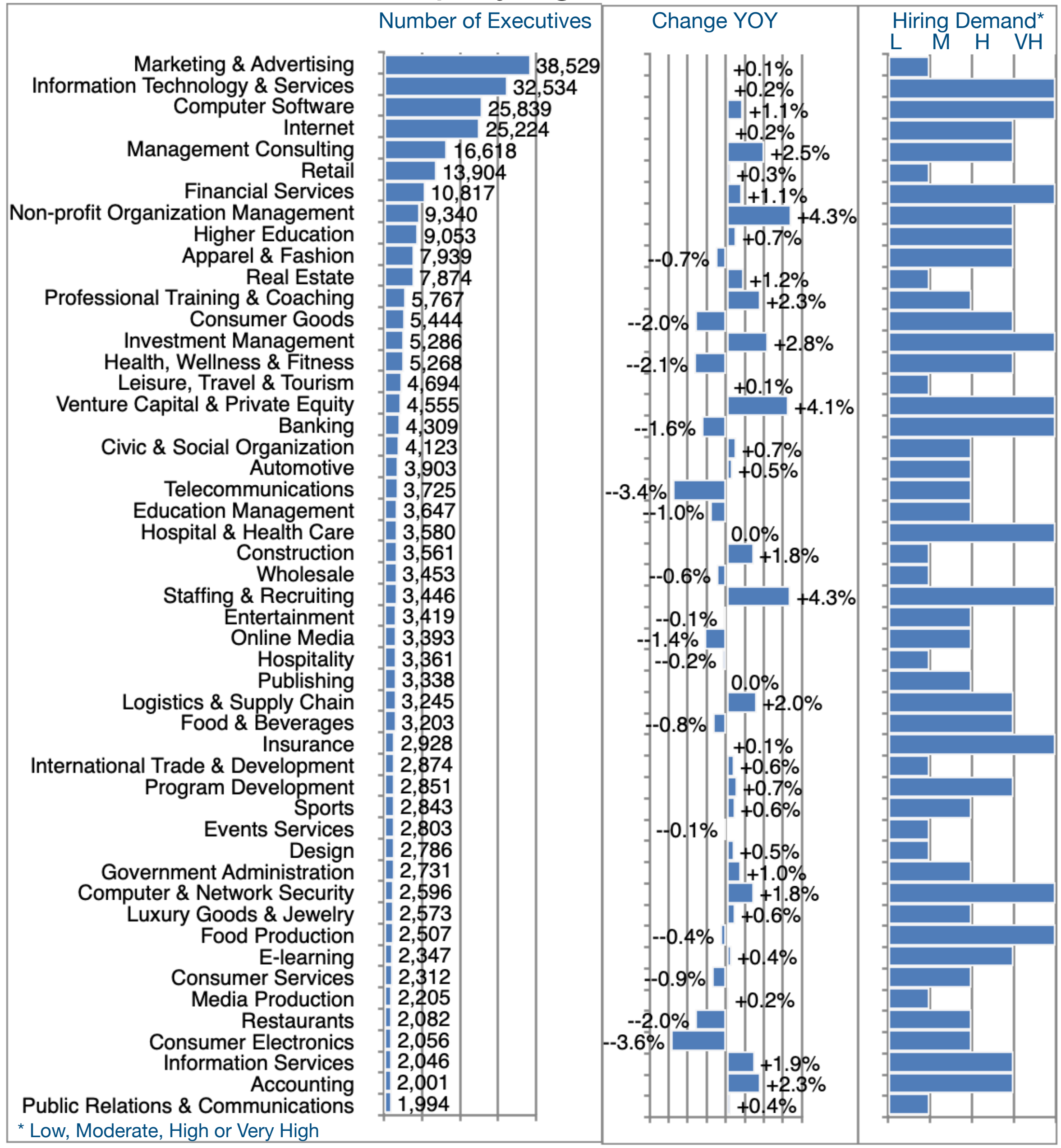
Other industries contracted sharply, particularly Telecommunications and Consumer Electronics and to a lesser extent, Consumer Goods, Health, Wellness & Fitness, and Restaurants.

There is no necessary correlation between the growth in the number of executives and the hiring demand, though these often go hand in hand. Take the second and third ranked industries on Chart 3, for example, Information Technology & Services and Computer Software. These were not among the fast growers, but LinkedIn still says these industries exhibit a very high hiring demand.

Or look at Venture Capital & Private Equity versus Banking adjacent to one another in Chart 3. One belongs to the fast growing verticals while the other is actually contracting yet both see very high hiring demand according to LinkedIn due to skill scarcity.

Generally it is best to approach a change of careers with your eyes open and with as much information as you can reasonably obtain. This is another reason

Chart 3: Industries Employing e-Commerce Executives



INDUSTRY UPDATE: e-Commerce

thoughtful executives hire the Barrett Group to buttress their searches because each client is supported by a team of six professionals, including a research analyst with access to numerous data resources.

Those research capabilities could be useful, of course, when examining data such as in Chart 4, because some of this year on year growth is real and some of it may have been undercut by layoffs in the new year, for example, at Goldman Sachs. Google, Amazon, SAP, and Salesforce are already showing some of the effects from their restructuring. However, overall, retail banks make more money when interest rates rise so there may be good reason for their growth.

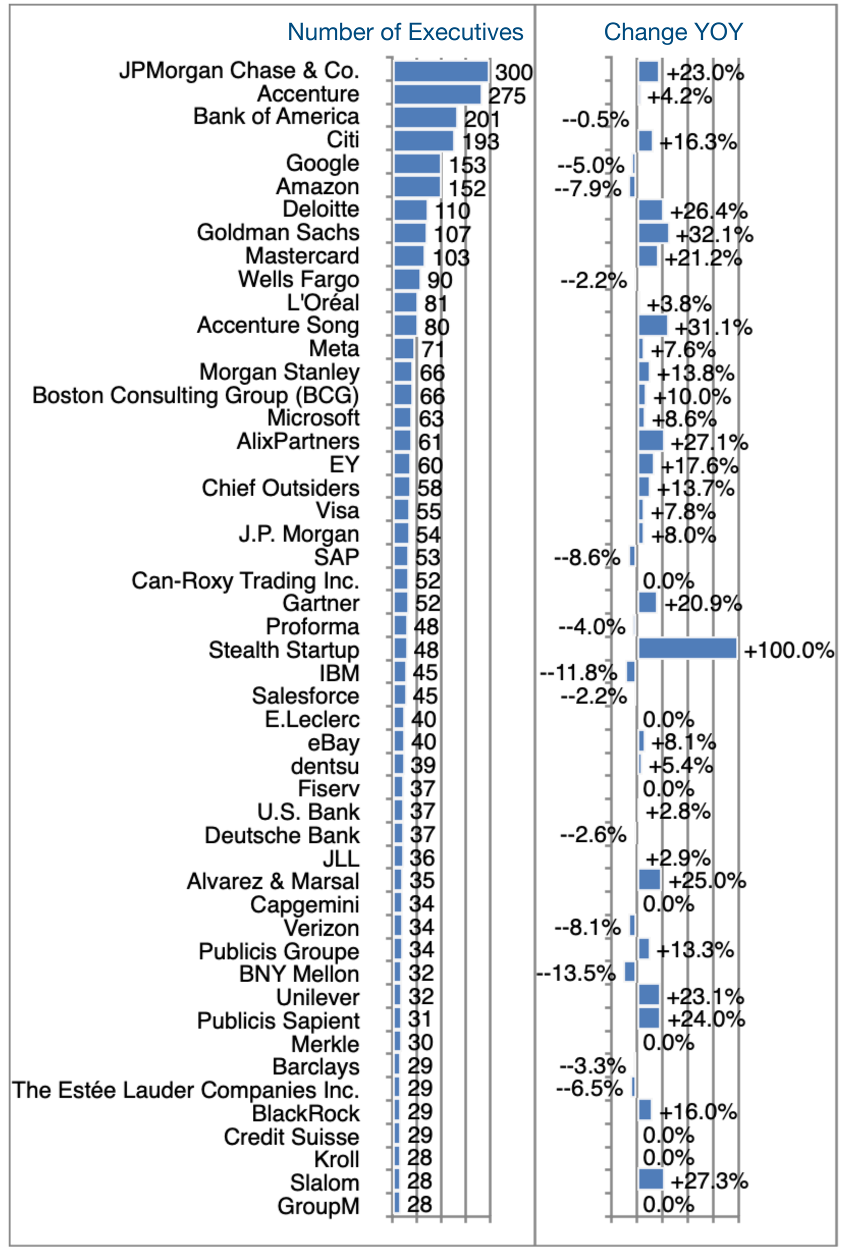
In fact, banks (retail and investment) number at least 12 out of the top 50 e-commerce executive employers on Chart 4. As a cohort, this group employs about 4,400 e-commerce executives, a group that has grown by 3% in the past year. We may not think about banking first when we think e-commerce, but banks are obviously heavily investing in this field.

Take JPMorgan Chase & Co. According to LinkedIn, the company increased their overall Vice President rank by 11% in the most recent 12 month period to about 14,400, though they also added significantly to their Software Engineer teams (all titles, not only executives) to reach 8,000 (+25%). The growth at JPMorgan has been relatively steady during 2022, with significant give and take from Citi, Wells Fargo, Bank of America, etc., but also net talent acquisition from Tata Consultancy Services and Accenture.

What's up with Big Tech? Learn more from our Industry Update.

Accenture Song also stands out at least as an intriguing name, not to mention due to 31% growth in their e-commerce executive team. This unit presents itself to be a life-style consultancy attempting to capture advantage from a unique understanding of consumer and client behavior. Their talent acquisition approach has been to acquire whole teams and/or business units from previous acquisitions Fjord (design), SinnerSchrader (digital marketing), and a fair number from Accenture itself.

Chart 4: Employers of Executives



INDUSTRY UPDATE: e-Commerce

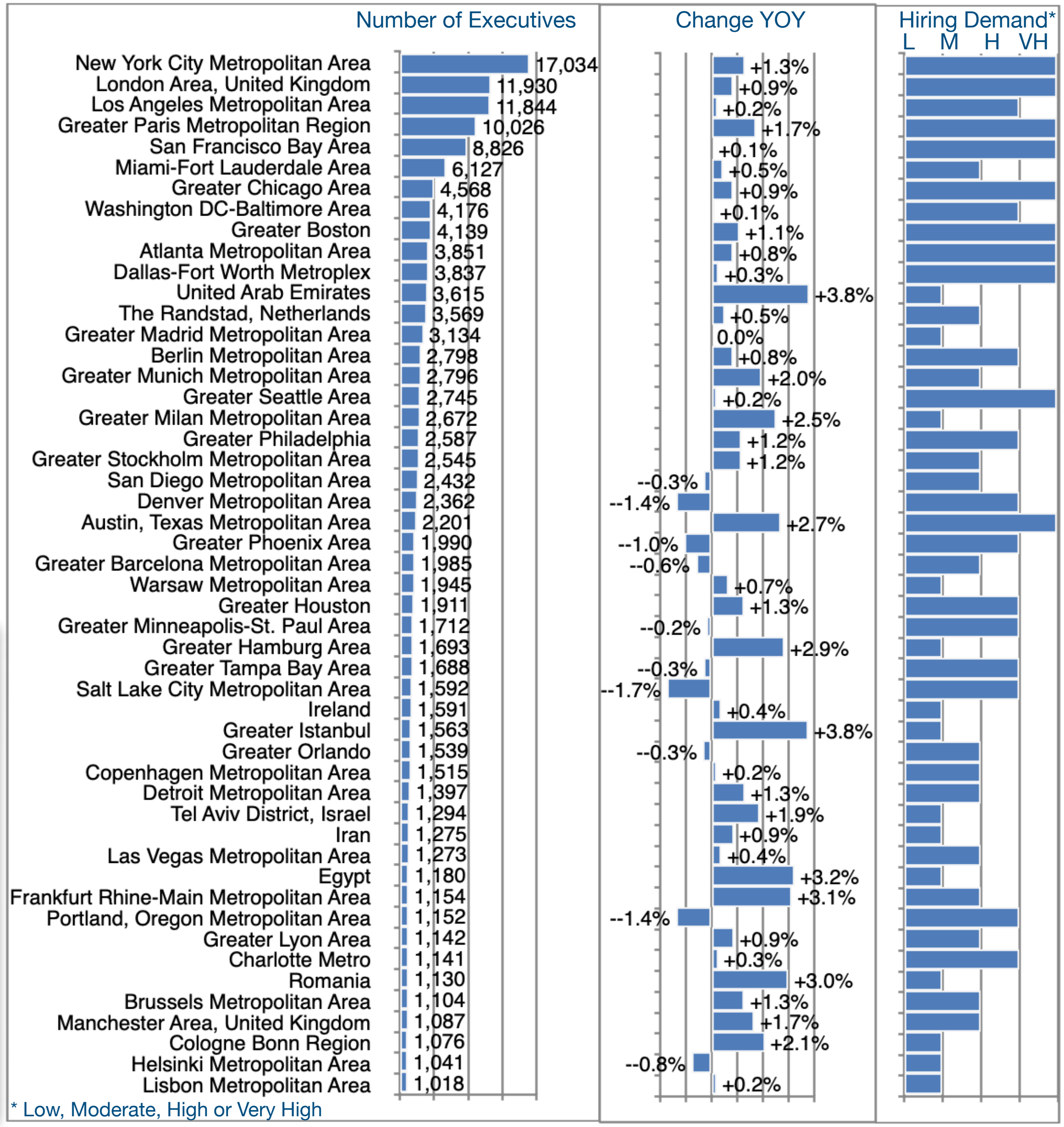
On Chart 4 Stealth Startup also stands out, posting 100% growth, however, since their company website is a Wikipedia page and their LinkedIn job postings appear to be for different companies we believe this is more of an umbrella for multiple startup companies that do not wish to be clearly identified as yet, hence their need for stealth.

Chart 5 reveals the locations with the largest e-commerce executive populations, fastest YOY growth and highest hiring demand. There is not too much mystery here, as these are the locations of the largest employers, however, it is interesting to see how many of the fastest growing locations are not in the US, including the UAE, Milan, Hamburg, Egypt, Frankfurt, Romania, and Cologne.

LinkedIn also identifies numerous locations with high or very high hiring demand in this sector, whether they have grown quickly or not, presumably due to a skill shortage.

Are you uncertain about the direction of the economy or your future role? You are not alone. Explore our Upsidedownsizing series for a better understanding of your options.

Chart 5: Executive Employers' Locations



* Low, Moderate, High or Very High

INDUSTRY UPDATE: Female Executives

Female Executives

INDUSTRY UPDATE: Female Executives

Introduction

Women appear to be making progress in increasing their share of the C-suite. Specifically, the evidence suggests that 26% of CEOs and Managing Directors in 2021 were women as opposed to 15% in 2019. [See Source.] Barrett Group research supports this notion, showing an improvement from 24% to 25% in the female share for all executive categories between 2022 and 2023. (See Editor's Note.]

What factors are driving this change and where will they lead?

Attention to gender diversity often begins in the board room. "Although these gender disparities exist in boardrooms globally, they also can vary depending on where the company is based. For example, Europe has the highest representation of women on boards at 35 percent, while the Middle East has one of the lowest with only 10 percent of seats held by women, according to Deloitte. Globally, publicly listed companies have a better representation of women on boards (19.7 percent) when compared to US-venture backed private companies (7 percent)." [See Source.]

On the other hand, some private equity firms have made diversity a key principle even setting specific targets and reporting on their progress publicly, such as BlackRock, one of the biggest PE firms. Here is what BlackRock says: "Hiring is a leading indicator of the future composition of our employee base and management. In 2021, 47% of our hires and 38% of the senior hires (Directors and above) were women." [See Source.]

If diversity is your principal requirement, then perhaps this ranking may help: Diversity Inc. This firm claims to perform an exhaustive review on multiple parameters to establish which companies are the most diverse. Their top five include: Accenture, Mastercard, Abbott, Toyota Motor North America, and Eli Lilly and Company. Here is what number one ranked Accenture has to say on the subject: "Our commitment starts at the top – 60% of our board of directors are racially and ethnically diverse, and 50% are women including our Chair and CEO Julie Sweet." [See Source.]

"Women leaders switch jobs at record rates as they demand better from their workplaces"

"Women leaders are saying effectively, 'We've had enough,' […] 'We're ambitious. We want successful careers. But we're going to go look for organizations that are delivering the work culture that we also want.' "[See Source.]

The World Bank cites investor pressure as one of the main reasons for the progress women are making, but there may be additional reasons beyond ESG [See Source]. Perhaps companies simply need different skills these days in their top management. That is the post-pandemic line of argument offered by this Forbes article: "It means resilience, empathy, agility, ability to articulate, communicate, inspire people, keep people moving forward in very difficult times. All those are skills that a lot of CEOs have had in the past, but they've really moved to the forefront." This logic goes on to suggest that women have been siloed in human resources and sustainability roles historically, but that the skills required for these roles are now even more required in the C-suite. [See Source.]

Another line of argument is more provocative: "If you think that men make better leaders, not only do we disagree, but we have the data to back it up! The 32 companies that have women as CEOs have significantly outperformed the companies run by men. Over the past 10 years, the difference in returns is 384% from female-led companies vs. 261% from male-led companies. A few notable companies with women CEOs are GM, UPS, Citigroup, and CVS." [See Source.]

As far as compensation is concerned, the US Bureau of Labor Statistics published Q4 2022 survey data that found women are now earning on average about 83% of what men earn, a ratio that has remained relatively constant over the last few years. (See Source.) However, another source claims that female managers as a class of employees now earn approximately 90% of their male counterparts' pay. In fact, according to the same source, if the income survey results are controlled for equivalent roles, responsibilities, and titles, the pay gap narrows further to just 1%. (See Source.) In Europe,

INDUSTRY UPDATE: Female Executives

"The gender pay gap in the EU stands at 13.0 % in 2020 and has only changed minimally over the last decade. It means that women earn 13.0 % on average less per hour than men." (See Source.)

Of course, biology offers women more choices and more constraints than men. Obviously, men are not capable of bearing children. This fact has often relegated women to a set of activities and specific roles in many cultures since before we were fully homo sapiens. In general, this has also meant that as education and wealth increased, women tended to have fewer children for various reasons, including the ability to focus on their professional advancement. However, recently, as child care, parental leave, and other benefits have evolved, this pattern has begun to shift so that birth rates are again rising in some of the world's wealthiest countries. [See "In rich countries, working women and more babies go hand in hand", the Economist, August 23, 2022.]

On balance then, female business leaders have certainly made some progress, however, employers still have a long way to go to achieve real parity for the sexes at the executive level. For example, in the latest ranking, only 8.2% of the CEOs in the S&P 500 are women [See Source]. Indeed, gender shares also vary significantly by industry, role, and location as we will see in some detail later in this Industry Update.

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In fact, some women are not waiting for companies to catch up but are simply heading for the door according to a report in Q4 2022 titled "Women leaders switch jobs at record rates as they demand better from their workplaces." [See Source.] This source continues, "Rachel Thomas, the CEO of LeanIn.Org, says that while women leaders are just as ambitious as men, they are leaving their companies — for a number of reasons — at "the highest rate we've ever seen." For every woman at the director level who gets a promotion, two women directors are voluntarily leaving their organization […] "We already know women are underrepresented in leadership, and now companies are starting to lose the precious few women leaders they do have."" [See Source.]

Changing jobs can also bring economic rewards, of course: "Women who found new jobs during the pandemic were slightly more likely to see an increase of over 30% in compensation than men […] For senior-level employees, switching jobs had the biggest pay off. More members of this group — which includes vice presidents, C-suite employees and CEOs — experienced compensation increases of 30% or higher (35%) than other individual contributors who changed jobs during the pandemic (22%)." [See Source.]

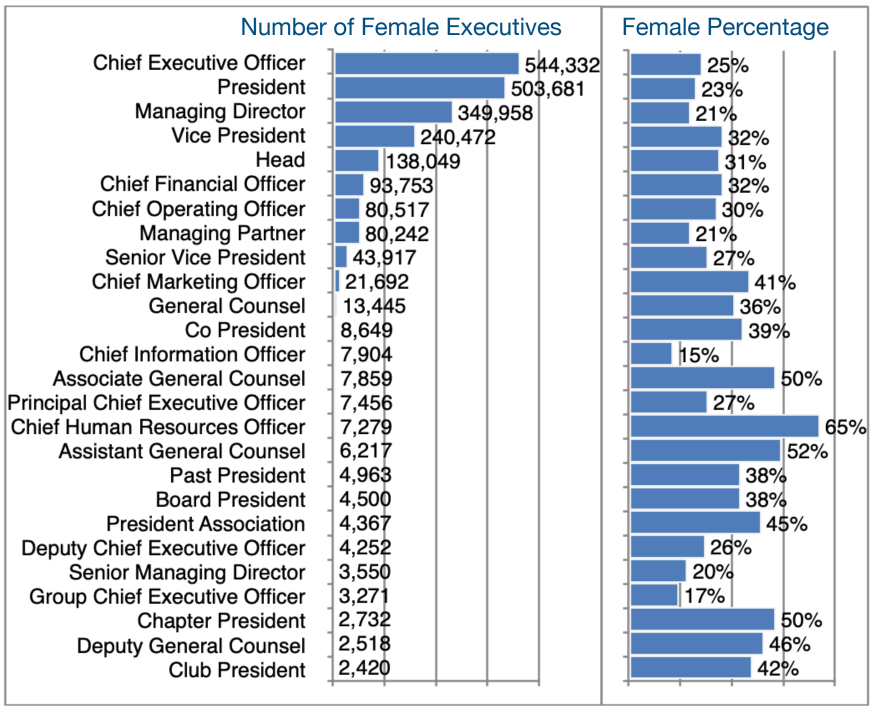
Let us find out more about the progress women are making at all corporate levels as we explore the facts in this Industry Update.

The Female Executive Market

LinkedIn does not specifically record gender or report on the gender balance at individual companies, so we will need to infer some of our data by looking at the total executive market and the average female share. In these terms, LinkedIn reports 2.15 million women executives as we define them in our target geographies (see Editor's Note)—25% of the 8.5 million total executive population. Approximately 1.3 million women executives are in the US (27% of total executives), while 821,000 are in the EU and UK (22% of total) and 77,000 (17%) work in the Middle East. We cannot distinguish specific growth rates for women executives, but the overall executive market has grown by 0.8% (1% in the EU/UK and Middle East and 0.7% in the US), while a further 331,000 have changed jobs, leading to a total (male and female) of some 400,000 executive opportunities in the past year.

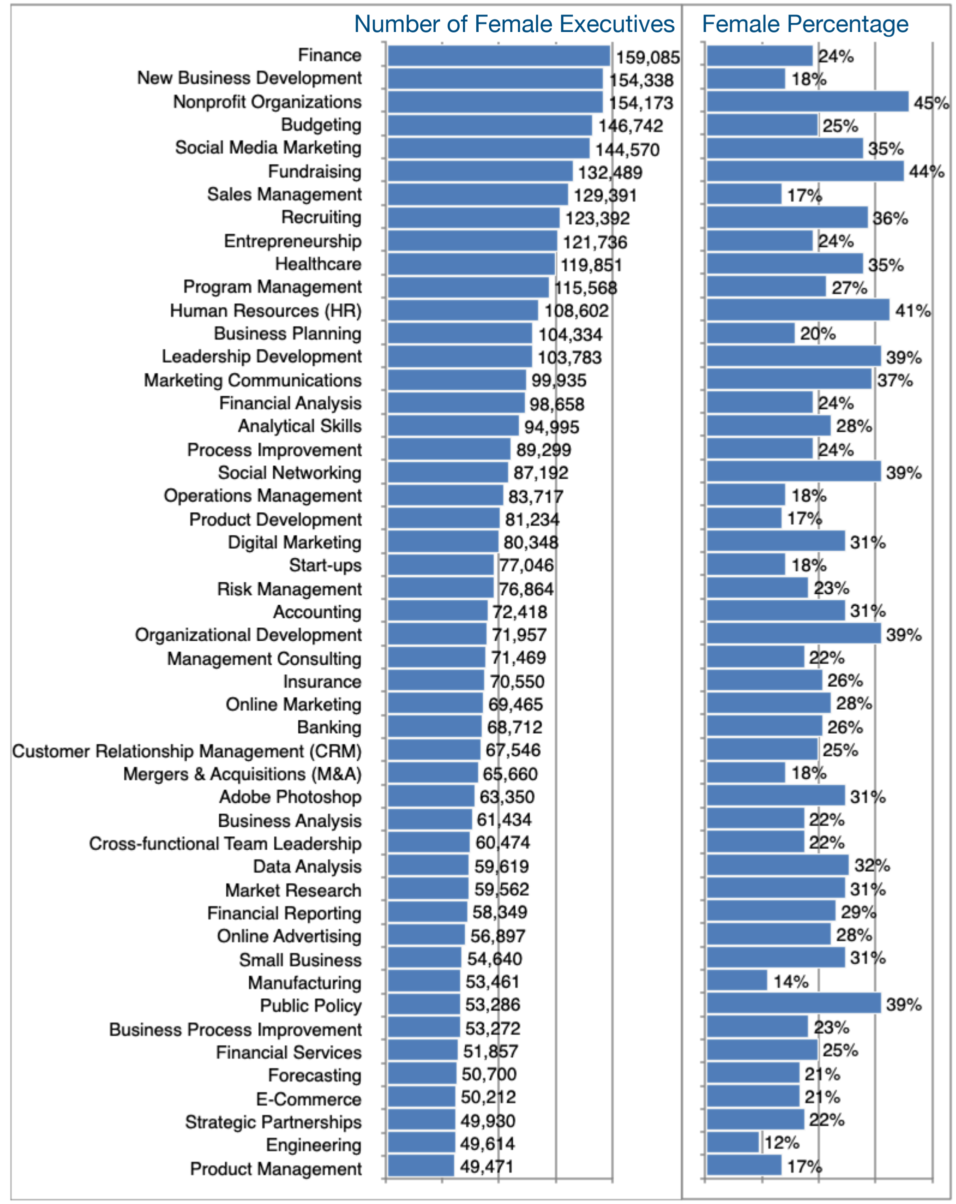
Selecting titles in descending order by the number of female executives, Chart 1 says for example that there are more female CEOs than any other title, but that these female CEOs represent only about 25% of the total number of CEOs in our target geography per LinkedIn. Conversely, Chief Human Resource Officers are apparently predominantly female (65%) although there are relatively few of them at 7,279.

Chart 1: Female Executive Titles



The common wisdom seems to be that women are more empathetic and effective in dealing with the emotional territory of human resources, however, that does not explain why women also tend to occupy more executive marketing or general counsel positions.

Chart 2: Female Executive Specializations



INDUSTRY UPDATE: Female Executives

In some ways, Chart 2 might be seen to debunk those preconceived notions by showing New Business Development as the second most frequent female executive specialization until you notice that only 18% of these professionals are female. This area along with Sales Management tends to be quite well remunerated, and in both cases the female executive share is quite low (17-18%). If any specialization requires emotional intelligence, surely sales and business development do. So why are there as yet relatively few women executives in these critical roles?

Areas where women's shares stand out include Nonprofit Organizations, Fundraising, Human Resources, Leadership Development, Marketing Communications, Social Networking, Organizational Development, and Public Policy. In general, these all do tend to require people skills, but then how do we explain that Finance and Budgeting occupy two of the top five spots, skills long known for a focus on facts?

The simple answer is probably that women occupy roles that organizations make available to them, and not because of any innate proclivities based on gender, so, as we addressed in the introduction, it is indeed management attitudes that most closely define where women can develop professionally. In that sense, the evolving view from the board room and the inspiring examples set by current female CEOs—these will determine the future and the weight of precedent should continue to lessen over time.

LinkedIn does not provide the gender share for individual companies, so it is difficult to address this parameter except by bringing in external, specialist perspectives. We have already referred in the introduction to one excellent source on this subject, Diversity Inc., that publishes a ranking of the most diverse companies, although gender share is not their only criterion.

Upsidedownsizing (Part One): Fight or Flight

It is understandable when executives who might otherwise like to make a professional change hear about rising interest rates, downsizing in the tech sector, and possible recession on the horizon that some pull their heads in like a turtle and wait until it's over…except that missing the action completely is not a helpful career management strategy. In fact, accessing the full market as our clients do they are seven times more likely to succeed than working with an executive recruiter alone. [Explore our Upsidedownsizing series.]

INDUSTRY UPDATE: Female Executives

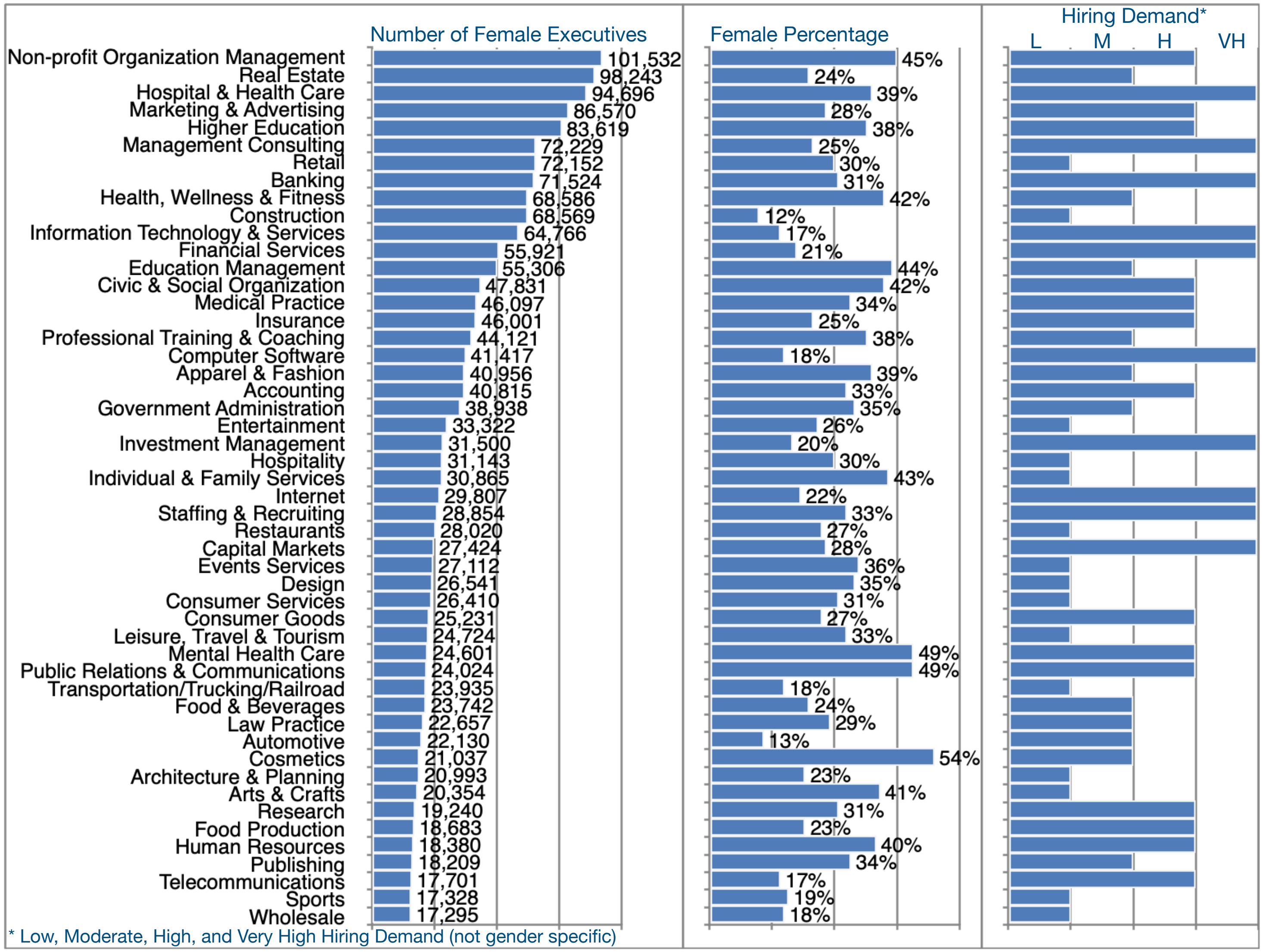
In fact, Diversity Inc.'s top ten ranking covers a surprisingly broad range of industries, including IT Services, Financial Services, Healthcare, Automotive, Food, Media & Entertainment, Insurance, and Medical Devices. In other words, increasingly it appears that if you as an executive do not appreciate your employer's culture, you have a choice.

Chart 3 covers the industries with the most female executives, their gender share, and the relative hiring demand (for all genders) in that sector according to LinkedIn. For example, Non-profit Organization Management as an industry employs the most female executives in total and boasts a 45% female share among its executives—quite high by comparison to others on the chart—while LinkedIn rates the hiring demand in this sector as "high."

Perhaps understandably, Cosmetics demonstrates the highest female executive share (54%) although incumbents number only about 21,000 and the hiring demand seems to be "moderate."

Mental Health Care and Public Relations & Communications are also relatively small in total volume of female executives, though their female shares are high (49% each), and the hiring demand is rated as "high."

Chart 3: Top Industries for Female Executives



Barrett Group clients, of course, have access to considerably more detailed information on industries, companies, and even hiring executives, but even if you are embarking on a search without professional support, always perform adequate research first! For example, the very high hiring demand in several industries in Chart 3 could make them more attractive if you have affinity for their sphere of activity.

INDUSTRY UPDATE: Female Executives

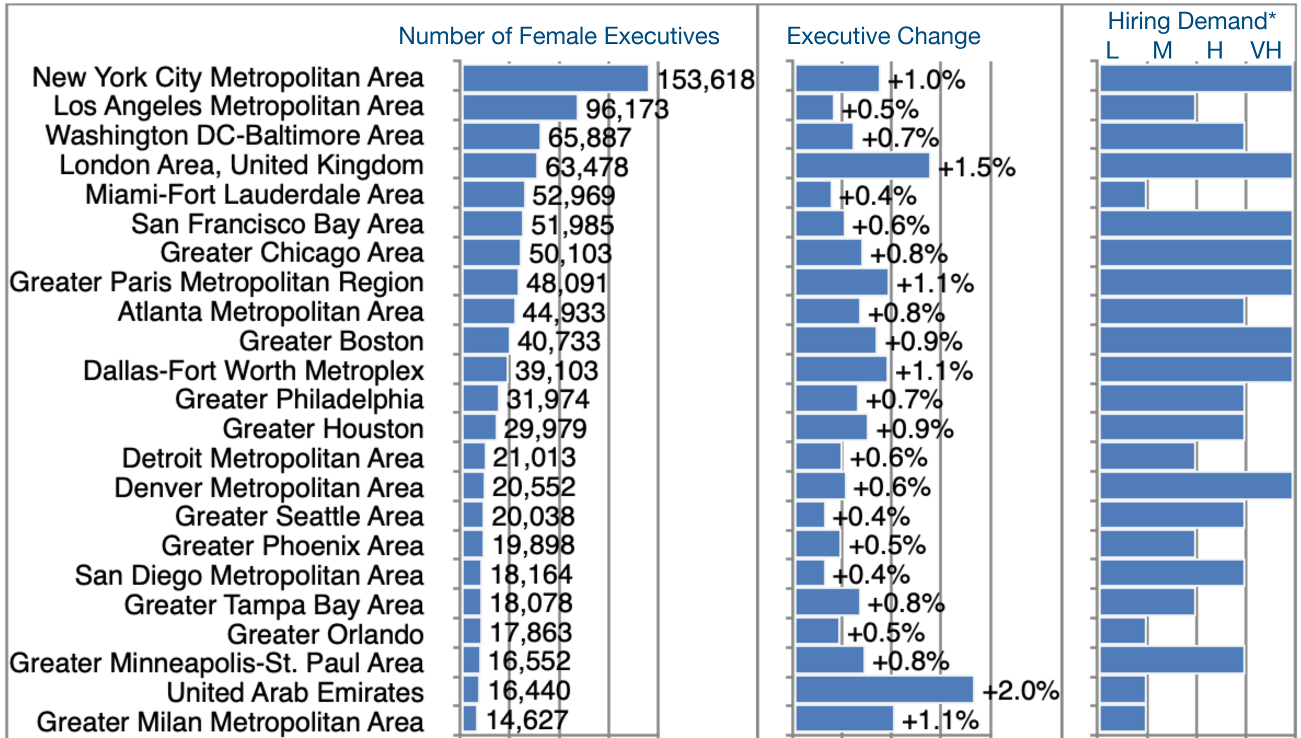
The Barrett Group routinely helps executives change industries, roles, and locations by helping them to articulate the transferability of their skills and experience persuasively. Gone are the days that an executive was wedded to a specific industry simply because that is where her professional history lay.

That applies to location, too, of course. Chart 4 provides an overview of which locations have the largest female executive populations. Note that the Executive Change data is for female and male executives as is the Hiring Demand data because LinkedIn does not separate these data points by gender.

If you are feeling more entrepreneurial, you may find a ranking such as this one (Best Cities for Female Entrepreneurs) useful, but other rankings look at housing, benefits, educational opportunities, etc. Again, our advice is to never stint on research when making an important career decision. For Europe, this ranking is also of interest, factoring in quality of life along with many other variables: Top Six Cities of Quality of Life, though perhaps not only for female executives. As far as the overall gender share is concerned in European cities, this interesting source suggests that Riga, Vilnius, Lisboa, Madrid, Porto, Budapest, Zagreb, and Genoa have the highest overall share of women in their populations.

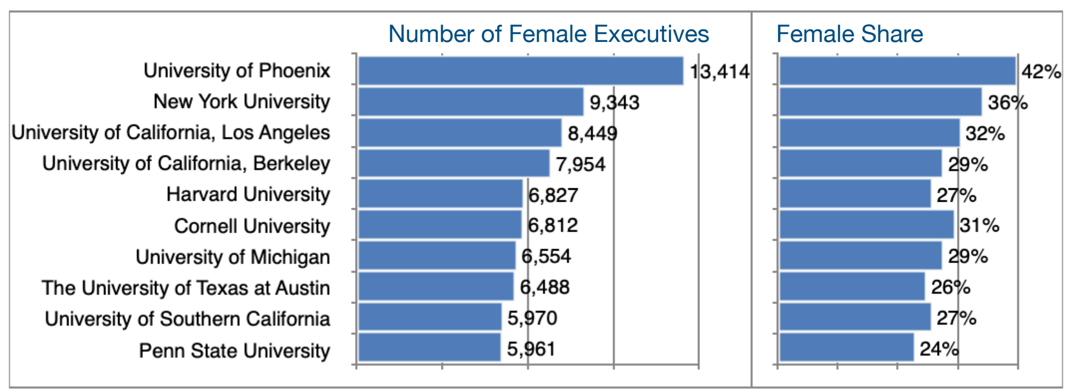
Education (Chart 5, Top 10 universities by number of female execs) may also be career-relevant, though it seems odd to see the first European schools joining this ranking at number #26 (Cambridge), #32 (Oxford), #38 (London, LSE), and #39 (Universidad Complutense de Madrid), and all of these latter four have rather low female shares by comparison to the top ten. Nevertheless, educational institutions can be powerful factors in intentional career networking, and are not to be taken lightly.

Chart 4: Female Executive Locations



* Low, Moderate, High, and Very High Hiring Demand (not gender specific)

Chart 5: Female Executive Education



INDUSTRY UPDATE: Human Resources

Human Resources

INDUSTRY UPDATE: Human Resources

Introduction

In researching this Industry Update, we encountered numerous assertions that now is the time for Human Resource professionals to really shine. One source put it like this:

> "I've worked in the HR industry now for a quarter of a century, and by my estimation this is the most exciting – and the most challenging – time to be in the field. Since the turn of the decade, we've had a global pandemic, war and now a likely global recession. During this time, the chief human resources officer (CHRO) and the HR function have become as important to the organisation as the chief financial officer and the finance function were during the Global Financial Crisis."
>
> "When you add in other macro factors such as the fourth industrial revolution, the changing nature of jobs, the rise of hybrid work, the skills shortage, raised employee expectations, and the diversity agenda – all topics with people at the core – it's easy to see why expectation levels on CHROs and the functions they lead are at an all-time high." (See Source)

Several broad themes emerge when focusing on Human Resources (HR). For one, the **stature of HR responsibles in organizations has grown** over the last few years, rooted no doubt in the complexity of fielding qualified staff in the face of all the economic and physical challenges we have had to work through lately, including the pandemic and hybrid working routines. **HR Burnout** also bubbles up (See Source)--understandably given the myriad challenges.

Certainly values also come up a lot, whether as relevant to **ESG** or **diversity** initiatives, or in **helping employees feel more valuable** because organizations are visibly trying to address their needs in the form of flexible work schedules, compensation elements, education and development, or other means. In fact, in many ways, today's employee simply has more leverage due to the relative scarcity of qualified talent, and this has led to a **skills-based hiring** tendency, as opposed to the historically degree-oriented criteria.

Automation and the prospect of working alongside an AI algorithm or indeed a "bot" as an **augmented employee** of course brings up a host of new and interesting challenges for HR professionals, who must nonetheless strive to **humanize the employee's working experience** so as to keep the enterprise attractive in the employment market. (See Source.) Related to this is a new-found emphasis on **people skills** as critical to achieving higher productivity and satisfaction for all involved.

So it is no wonder that reducing **workplace stress** and initiatives focused on supporting **good mental health** are also gaining traction among HR professionals. (See Source.) This source expands on one example company that offers employees counseling, financial education, and promotes a change in eating habits—all to encourage individual well being as part of the company culture.

Now let us turn our attention to the market for HR executives.

The Market for Executives

In the US, Canada, EU, UK and Middle East markets, LinkedIn lists almost 48,000 HR executives as we define them (see Editor's Note), a group that has grown minimally—just 0.2% in the past year—and seen a relatively low churn of just 2.2%. At 40%, the female share of executives is extremely high compared to other industries. Approximately 24,100 of these executives are in the US and Canada, while 23,700 or so are in the EU, UK, and Middle East.

Chart 1 explores the industries employing HR executives according to LinkedIn. Renewables & the Environment, Information Services, Venture Capital & Private Equity, Financial Services, Environmental Services, and the Internet show the highest percentage growth as well as a very high hiring demand. Other industries, notably Telecommunications, Retail, Automotive, and Banking are showing the steepest declines—while still boasting overall high hiring demand, probably indicating supply constraints.

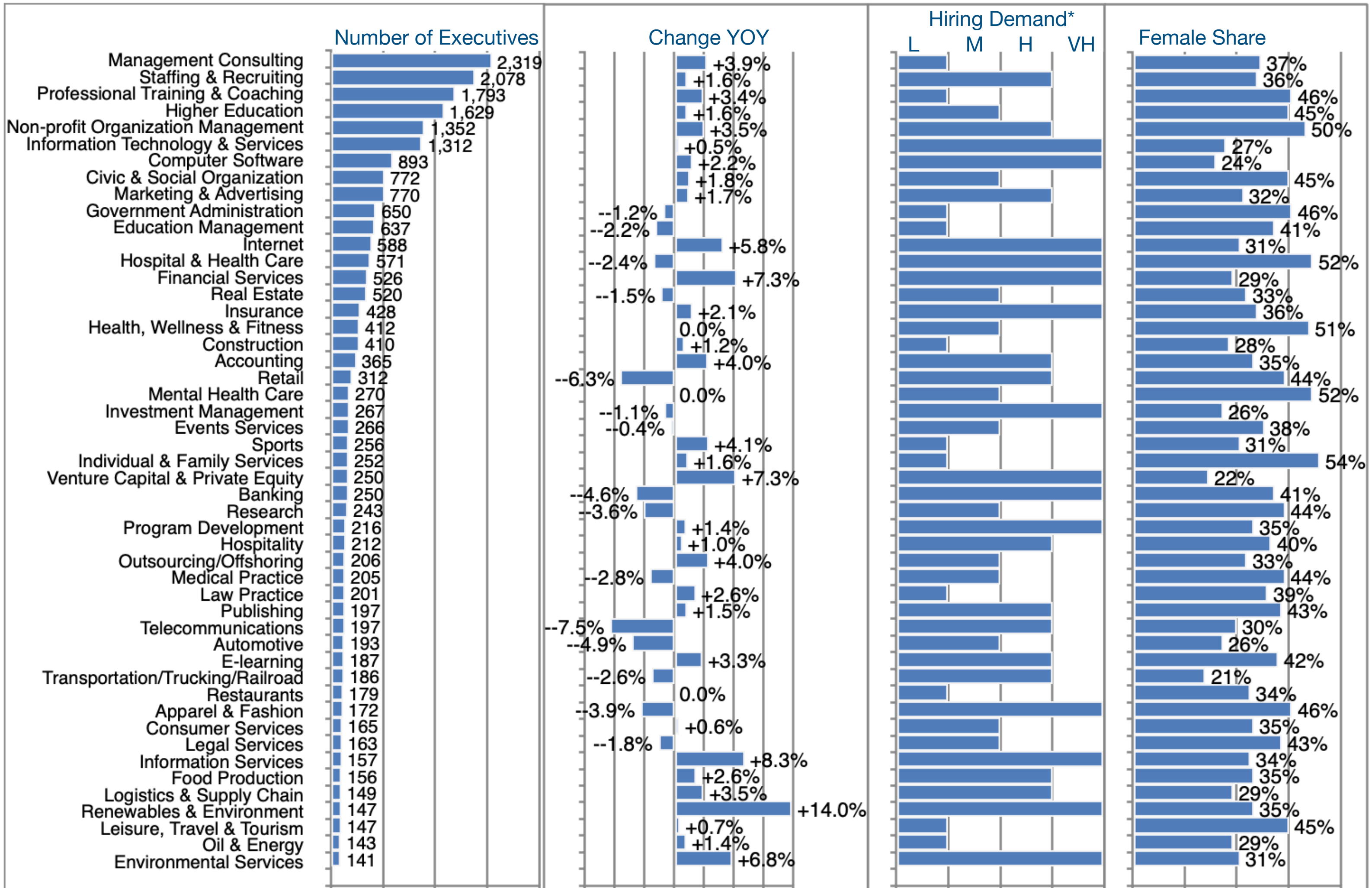
Individual & Family Services demonstrates the highest female executive share (54%) followed by Hospital & Health Care and Mental Health Care

INDUSTRY UPDATE: Human Resources

(52%), Health, Wellness & Fitness (51%) and Non-profit Organization Management (50%). A further cluster of industries gather around the 45-46% female executive mark, including Professional Training and Coaching, Higher Education, Civic & Social Organization, Government Administration, Apparel & Fashion, and Leisure Travel & Tourism.

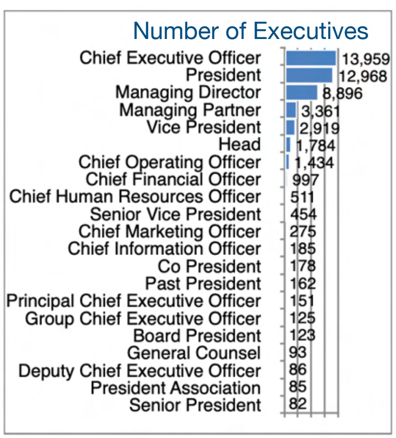
Chart 2 shifts the focus to HR executives' roles, with the majority listing either CEO or President as their title (57%). Female executives hold 40% of these two titles—lower than CHRO (65%), but still respectable in comparison to other industries.

Chart 1: Industries Employing HR Executives



*Low, Moderate, High, and Very High hiring demand per LinkedIn

Chart 2: Executive Titles



The very high share of CEO and President titles indirectly supports the assertion that the HR role is becoming more important. Another source goes farther, suggesting multiple reasons why HR needs a C-level designation including promoting intelligent succession planning, restructuring performance models, engaging employees, improving bottom-line performance, and supporting cohesion in the C-suite. (See Source.) Whatever the reason, it does seem that HR is making progress in raising its business impact.

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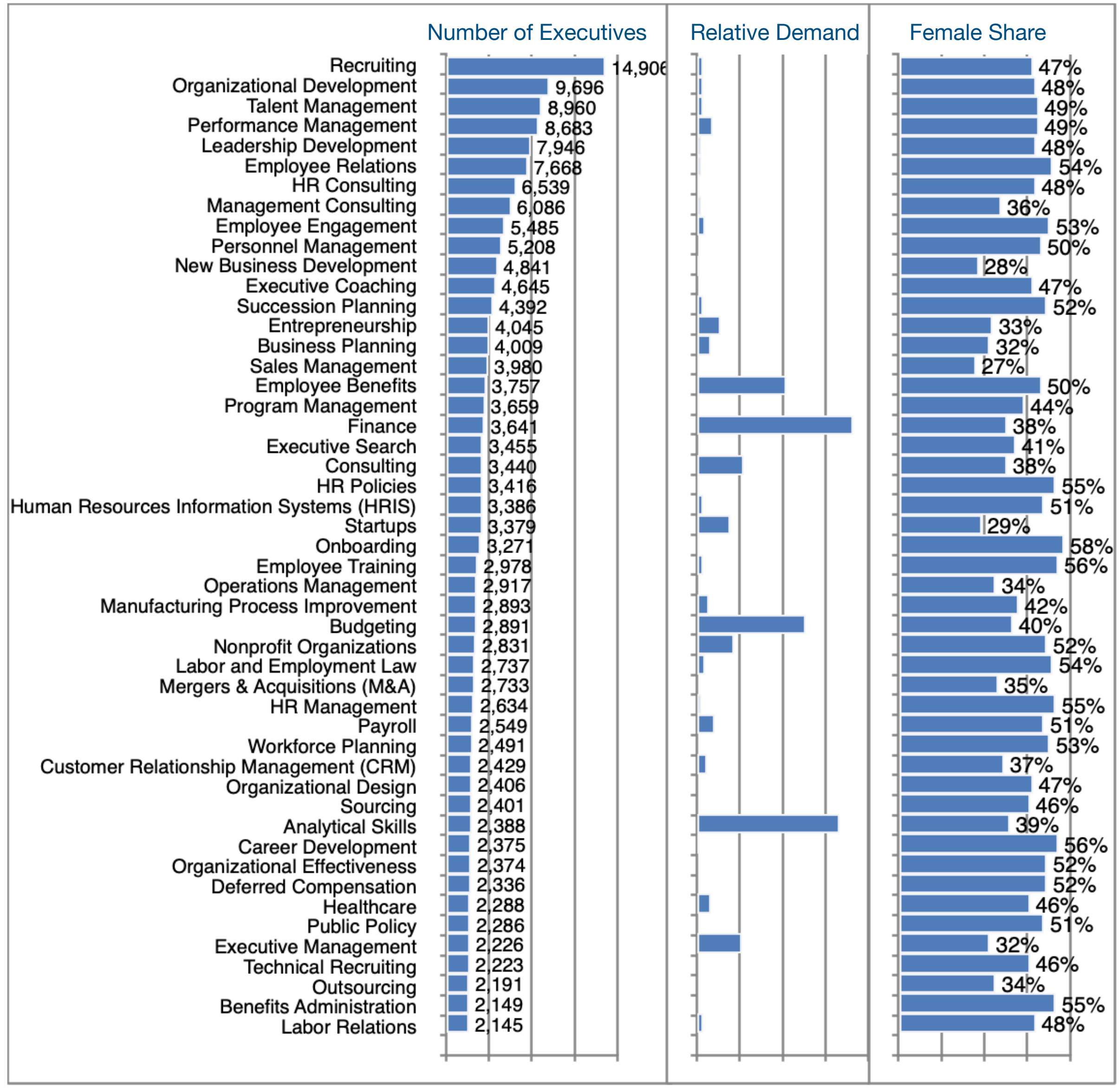
Chart 3 examines the specializations that HR executives list in their LinkedIn profiles. As usual some of these are highly transferable to other functions or industries such as Sales Management or Management Consulting. However, many are also solidly specific to HR, such as Recruiting, Talent Management, or Employee Relations.

“Relative Demand” in this context refers to the share of all want ads (according to LinkedIn) within this cohort. Finance and Analytical skills appear by this measure to be most in demand followed by Budgeting and Employee Benefits.

The high female executive shares in this area hardly surprise us, but there are interesting nuances

Chart 3: Executive Specializations



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for example, the relatively low female share within generic skill sets such as Sales Management and Business Development versus the high shares within HR specialties such as Onboarding, Employee Training, and Career Development. Overall, as the HR role becomes more elevated, this will likely provide female executives with a route to career advancement.

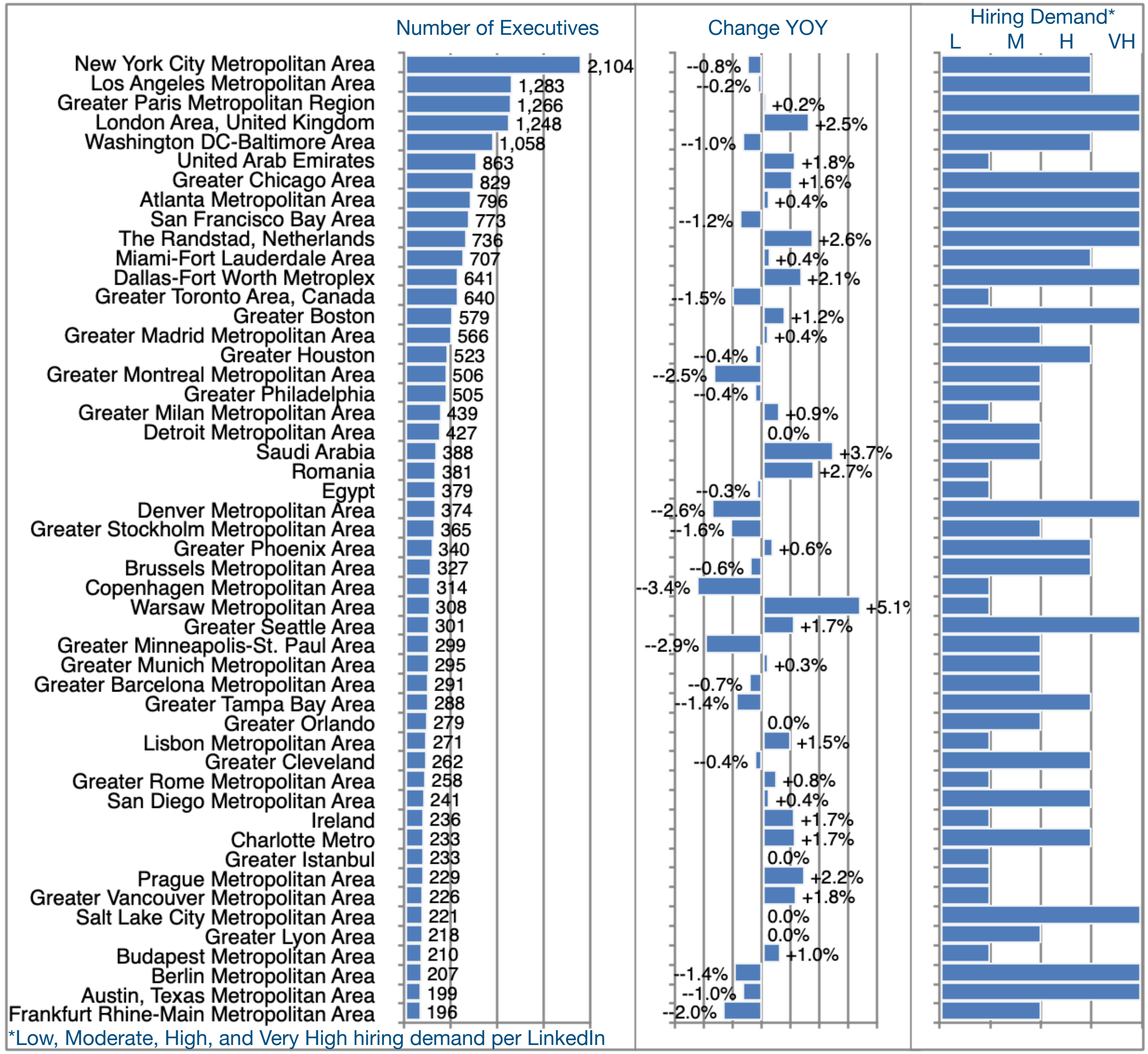
Chart 4 provides an overview of where employers are located and, as usual, New York comes out on top. One of the top employers of HR execs in that location is Segal who has this to say about their services: "We're a privately-owned benefits, compensation and investment consulting firm with more than 1,000 professionals throughout the U.S. and Canada. Segal, Segal Marco Advisors and Segal Benz are all members of the Segal family."

In Paris, Alexander Hughes holds that position and describes their services as follows: "Alexander Hughes is dedicated to advising companies in their talent management strategy from attracting key profiles to senior executive team appraisal."

In London, it's AMS: "We are a talent solutions business. Working with clients across the globe, we have learnt what it takes to build a high performing employer. It starts with talent; sourcing, selecting and keeping the right people in the right jobs."

Barrett Group clients have access to extensive data resources to support their searches. Contact us for more information.

Chart 4: Executive Employers' Locations



INDUSTRY UPDATE: Construction & Real Estate

Construction & Real Estate

INDUSTRY UPDATE: Construction & Real Estate

Introduction

In the context of this Industry Update, we recognize a continuous interaction between the real estate and construction markets, so we will report on important aspects of each, as well as regional distinctions across our target geography, but overall we regard the construction and real estate executive market as one, intertwined pool of opportunity.

Long Term Gain, Short Term Pain

Beginning with the US housing market, the volume of sales clearly moves inversely to the price of a home and the cost of a mortgage: “The total value of the U.S. housing market has doubled in the last decade and is now worth $43.4 trillion, according to a Zillow analysis.” (See Source.) In the short term, “The median [US] existing-home sales price was down 0.2% to $363,000 in February compared to a year ago, according to the National Association of Realtors (NAR). This ends a record streak of 131 consecutive months of year-over-year increases. Total existing-home sales jumped 14.5% from January to February—ending a run of 12 consecutive months of declining sales—but were still down 22.6% from a year ago, per NAR.” (See Source.)

Homes for sale inventory in the US is still very low, though, and likely to remain so despite a short-term uptick, “Housing starts also rose 9.8% in February, according to preliminary data from the U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD), helping to provide much-needed inventory.” (See Source.)

On commercial real estate, “CBRE forecasts a 15% year-over-year drop in U.S. commercial real estate investment volume in 2023 [to $609.65 billion], although it will exceed the pre-pandemic record annual total in 2019. Investment activity likely will bottom out in the first quarter and then gradually improve.” (See Source.) One of several reasons is the hybrid in-office/remote work model: “As companies find an optimal balance over the next few years, office utilization and the space needed per worker will reach a new equilibrium that could ultimately reduce demand for office space per employee by up to 15% from the pre-pandemic norm.” (See Source.)

“Demand [will likely be] stronger in Sun Belt markets, life sciences clusters and best-in-class assets.” “Fast-growing and popular Sun Belt markets, including Austin, Dallas, Miami and Nashville, will remain in favor. Growing demand among life science tenants, who generally don’t allow remote work, will buoy hubs like Boston, Denver and Salt Lake City. Best-in-class properties in otherwise hard-hit primary markets, including Manhattan and Los Angeles, will also garner more interest.” (See Source.)

In Europe, the “European Central Bank earlier this month [April] warned of “clear signs of vulnerability” in the property sector, citing “declining market liquidity and price corrections” as reasons for the uncertainty, and calling for new curbs on commercial property funds to reduce the risks of an illiquidity crisis. Already in February, European funds invested directly in real estate recorded outflows of £172 million ($215.4 million), according to Morningstar Direct data — a sharp contrast from the inflows of almost £300 million seen in January.” (See Source.) A contributing factor here too is the question of where people will actually work.

However, office space occupancy rates are generally much higher in Europe than in the US, so the former market has much less slack. In Europe, a “total of 12.6 million sq m of office space was leased in 2022, a 15% jump on the 10.9 million sq m leased in 2021, and sits well above the fifteen-year average of 10.3 million sq m. The growth in activity was evident across the majority of markets with 23 out of 30 markets tracked reporting year-on-year growth in leasing activity. Major markets including Milan (+37%), Warsaw (+34%), Madrid (+32%), Paris (+26%) and London (+22%) all showed robust levels of activity.” (See Source.)

As far as office space in the UK is concerned, “Take-up in the Big Six regions and Central London totaled 3.88 million sq ft in the final quarter of 2022, an increase of 5% on the previous quarter and 4% above the 10-year quarterly average.” “Despite the strong finish to the year, the Big

INDUSTRY UPDATE: Construction & Real Estate

Six markets were 8% below their average take-up with Central London also 1% down in 2022." (See Source.)

In the Middle East, real estate investment in the GCC countries grew at more than twice GDP growth in 2022. "The total value of real estate projects currently planned or under construction currently stands at an estimated $1.36 trillion. Saudi Arabia accounts for 64.5 percent of this total or some $877 billion, followed by the UAE, which at $293 billion, accounts for 21.6 percent of the total." (See Source.)

As we shift our focus to the construction segment, let's start with Canada. The "Construction industry in Canada is expected to grow by 4.2% to reach CAD 192,205 million in 2023. […] The growth momentum is expected to continue over the forecast period, recording a CAGR of 3.8% during 2023-2027. The construction output in the country is expected to reach CAD 222,882.9 million by 2027." (See Source.)

We have already noted the generally rapid growth in the Middle East above, but one segment that is literally and figuratively "hot" is data centers. "The Middle East data center construction market size was valued at USD 1.84 Billion in 2022 and is expected to reach USD 2.86 Billion by 2028, growing at a CAGR of 7.59%." (See Source.)

In the UK, the construction market value is expected to grow from £326.94 to £476.6 Billion between 2022 and 2027. (See Source.) While office space may take a breather, "infrastructure and energy and utilities investment will be a key area of construction spending in the coming years, offsetting weakness in the buildings sectors." (See Source.)

The "construction industry in Europe is expected to record a CAGR of 3.7% to reach USD 2,839.7 billion by 2024. The residential construction industry in value terms increased at a CAGR of 4.2% during 2015-2019. The commercial building construction market in value terms is expected to record a CAGR of 3.0% over the forecast period." (See Source.)

For the US, the "market size, measured by revenue, of the Construction industry is $2.6tr in 2023." This means a 4.2% decline versus prior year and an average shrinkage of 1.3% per annum between 2018 and 2023. (See Source.) Government spending from programs such as the Inflation Reduction Act and others may well affect the direction of this trend going forward.

However, one important barrier is unlikely to evaporate any time soon: "The US currently lacks around 430,000 construction workers and the industry has only recovered 67% of the jobs lost in March and April 2020." (See Source.) "The biggest concern in the construction sector of the European Union (EU-27) was the shortage of labor. Approximately 30 percent of respondents as of March 2023 mentioning that it was limiting their activities." (See Source.) Numerous apparently intractable factors contribute to this phenomenon including an aging workforce, better pay in other sectors, a lack of immigrants, etc.

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INDUSTRY UPDATE: Construction & Real Estate

Innovations Transforming the Industry

So far we have presented a mixed picture between real estate and construction, which are certainly impacted by the rising cost of capital and an acute labor shortage, particularly in the US and Europe. However, there are also numerous interesting trends seething under the surface, trends that can bring major benefits—especially to executives who have the right skill set. Here are a few of the most intriguing developments.

- Prefab and modular construction reduces the effect of construction labor shortages.
- Virtual design is accelerating and streamlining previously manual and highly specialized pre-construction processes, also perhaps reducing the preeminent role of architects.
- Living or otherwise advanced materials such as biocement, “aerogel, graphene, spider silk, carbon composites, hydroceramics, and nanomaterials” offer intriguing benefits, including enhancing sustainability, the ability to hold more water, higher strength with lower weight, etc.
- Drones also simplify both pre-construction processes as well as project monitoring during the actual build.
- Construction robots can contribute by autonomously digging foundations, moving materials, tying rebar, inspecting, and otherwise supplementing human crews.
- (See Source 1, Source 2, Source 3.)

One company reimagining building materials is bioMASON. The company uses proprietary technology to grow cement from loose aggregate at ambient temperatures from local material using bacteria. “An estimated 1.23 trillion bricks are manufactured every year, resulting in approximately 800 million tons of carbon emissions due to the fossil fuels required in the firing process.” “bioMASON enables savings in energy costs and zero carbon emissions.” (See Source.) The company has been quite successful in raising private capital and has invested considerably in growing the organization in recent years as their approach gains traction.

The Market for Executives

Although we serve clients worldwide, we focus on the US, Canada, EU, UK, and the Middle East. In these markets, more than 1 million executives work in this segment, a group that has grown just 0.5% in the past year, although almost 23,000 executives have also changed jobs, meaning there were some 28,000 new or re-filled executive opportunities in this industry over the last 12 months. The US & Canada employed 667,000 (+0.03%) and the EU, UK, Middle East employed 336,000 (+0.8%). In other words, even in a slow-growing market there can be plenty of opportunity if you know where to look. Based on their LinkedIn declarations, some 614,000 of these execs worked mainly in Construction while 430,000 (+0.4%) hailed mainly from Real Estate (+0.7%). In both cases the female share of executives is relatively low at 12% and 24% respectively. LinkedIn further typifies the overall demand as rather low for these profiles.

There are numerous pockets of higher growth, too. Chart 1 examines the specific industrial focus declared by executives in this overall segment whereby Venture Capital & Private Equity (+4.8%), Non-profit Management (+2.8%), Staffing & Recruiting (+2.4%), Financial Services (+1.9%), Investment Management (+1.4%), and Food & Beverage (+1.3%) all stand out as exhibiting both higher growth and a continuing “very high” hiring demand according to LinkedIn.

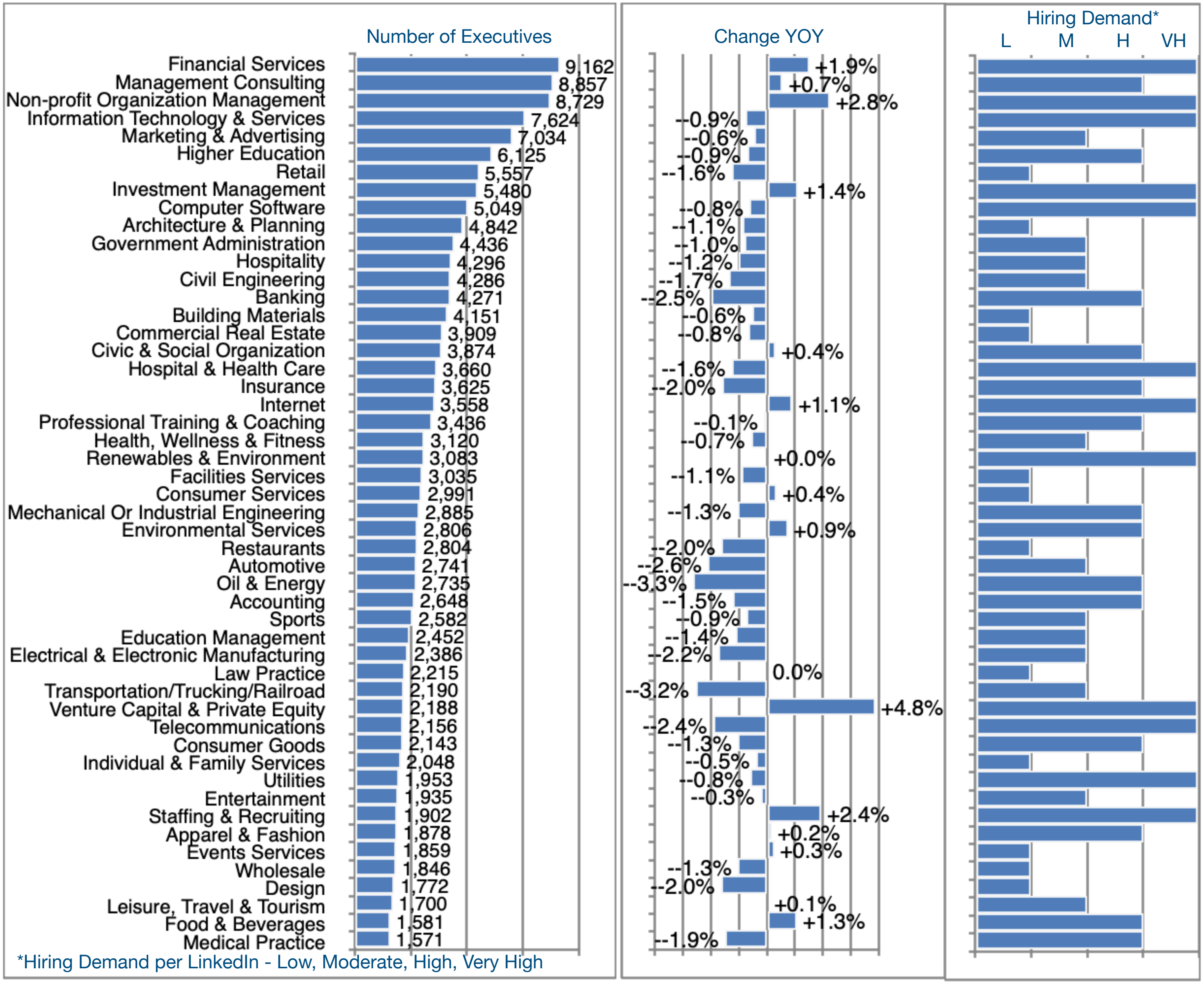
INDUSTRY UPDATE: Construction & Real Estate

Clients of the Barrett Group, of course, have access to much more detailed information first at the industry level, then at the target company level, and lastly often at the hiring manager level.

Note, too, that some segments with low growth still have a high hiring demand, presumably due to the difficulty of sourcing and retaining appropriate candidates. Utilities, Telecommunications, Renewables & Environment, Hospital & Health Care, Computer Software, and Information Technology & Services all fit this pattern per Chart 1.

Chart 2 opens the aperture on specializations in this industrial segment, their relative frequency, and also provides a perspective on the relative demand for one skill-set versus another.

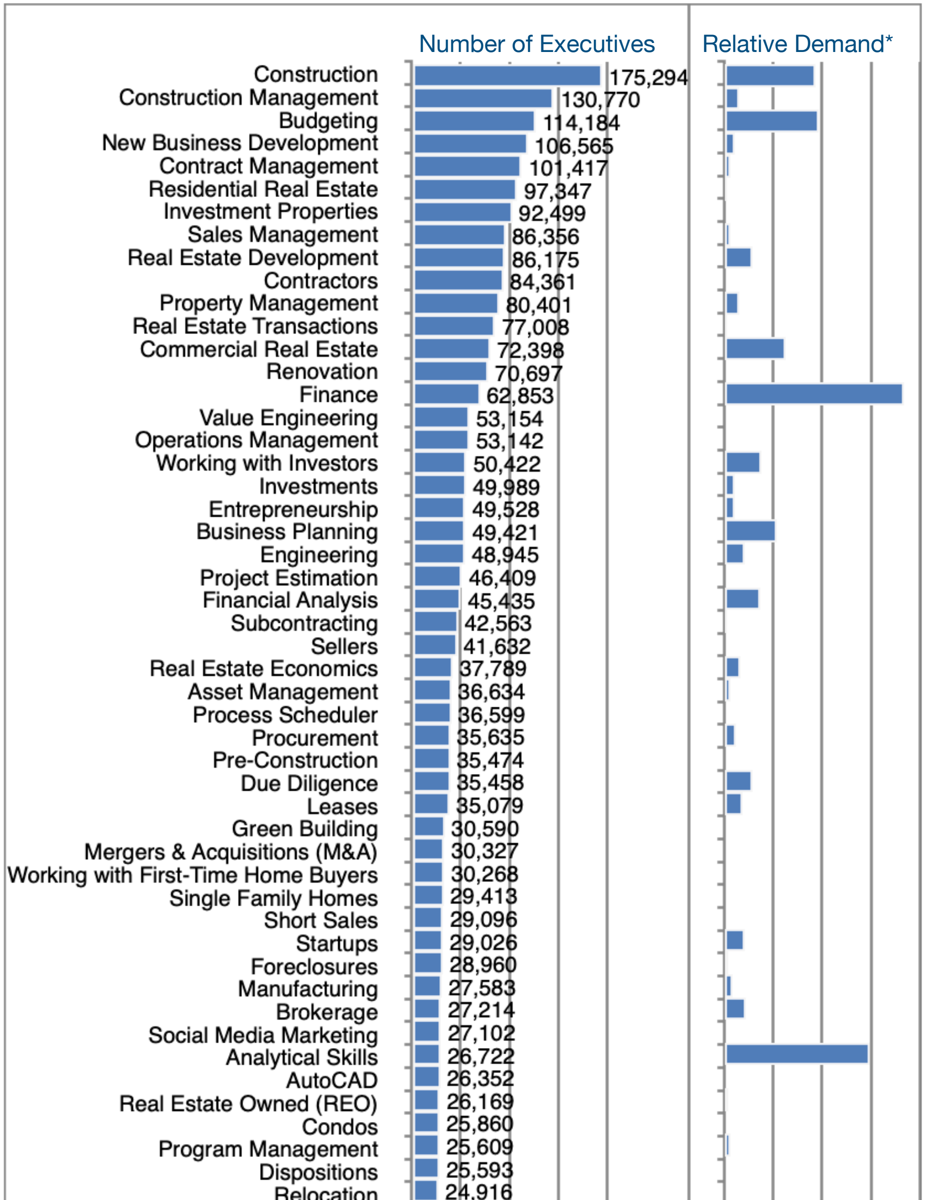
Chart 1: Executives' Industrial Focus, Rate of Growth, and Hiring Demand



*Hiring Demand per LinkedIn - Low, Moderate, High, Very High

INDUSTRY UPDATE: Construction & Real Estate

Chart 2: Executive Specializations



*Specialization want ads as a share of total want ads per LinkedIn

Bear in mind that the cohort we are examining has declared an overall principal participation in the Construction and Real Estate industry. Within that context, most have also highlighted multiple specializations. These are addressed in Chart 2 which allows us to distinguish Construction Management from Construction, for example, or Residential Real Estate from Commercial Real Estate.

As we often point out in these Updates, some of these specializations are quite unique to the segment, such as Property Management, Renovation, Project Estimation, etc. These are perhaps less transferrable specialties, but many others are highly transferable if candidates want to move into or out of this field of endeavor.

Budgeting, New Business Development, Sales Management, Finance, Business Planning, etc. are all examples of skills that can be repositioned to or from other industries—something the Barrett Group helps clients with regularly as they decide to change their professional trajectories and we help them chart their new course.

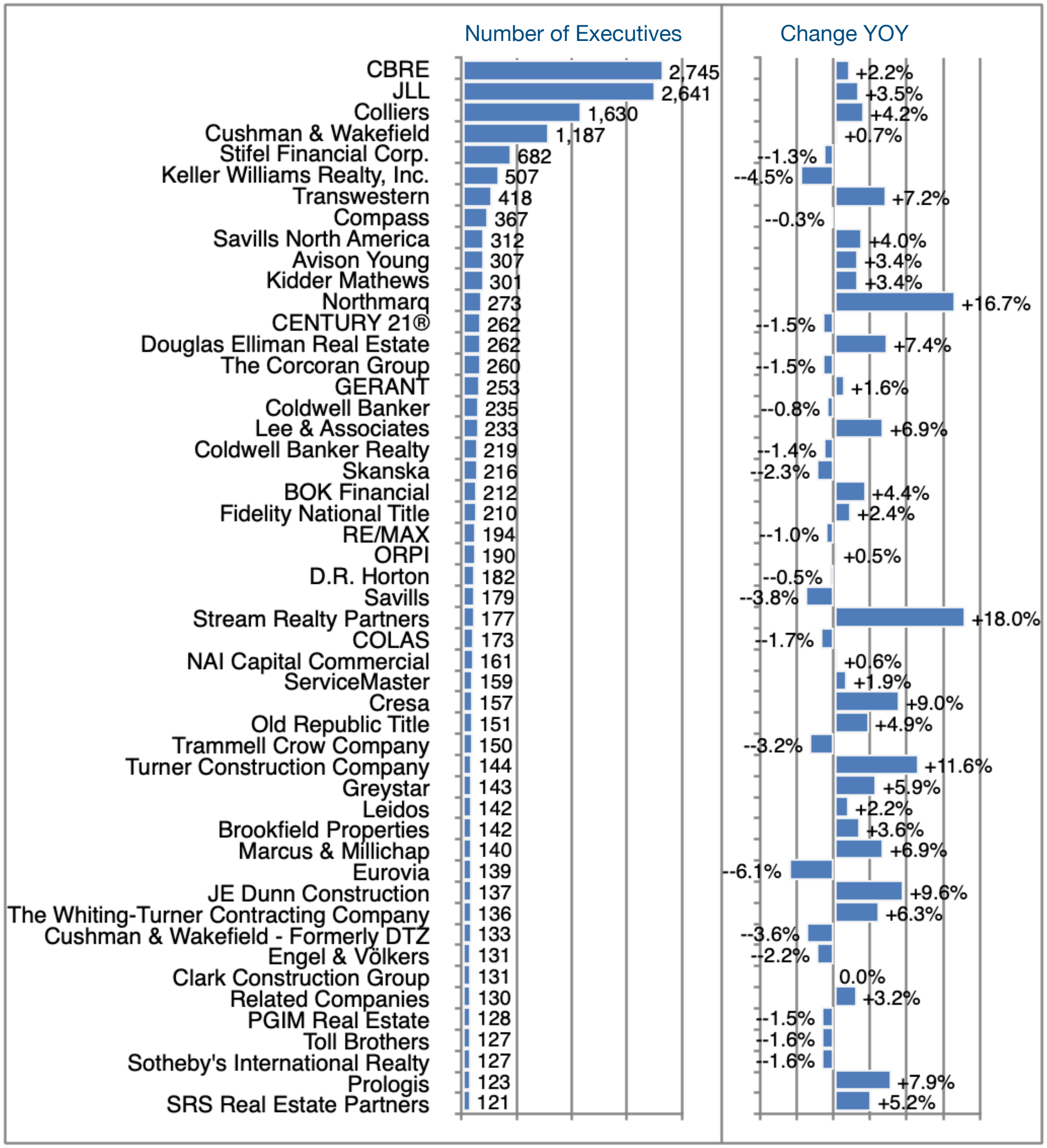
On the demand side of the equation, LinkedIn also provides some transparency on the number of want ads published seeking various specializations. Those with the highest frequency standout in the right half of Chart 2, particularly Construction, Budgeting, Finance, and Analytical Skills. Where there is no apparent data, this simply means that the number of want ads was quite low, though not necessarily zero.

Chart 3 delves into the actual employers of executives in this industry. CRBE tops the chart as far as the number of executives goes, but the company is also showing impressive growth for its size and industry (+7% total staff, 11,120 hires in the last 12 months). Speaking about total staff, CRBE has hired extensively from JLL, Cushman & Wakefield, Colliers, and Amazon over the past year. Their teams are distributed widely in New York, London, Dallas (their headquarters), Los Angeles, San Francisco, Seattle, Delhi, Singapore, and Sydney to name a selection of locations.

Farther down the ranking but showing very high growth are Northmarq (+16.7%) and Stream Realty Partners (+18%). Northmarq hails from Minneapolis and has completed the acquisition of the Stan Johnson company within the past year which accounts for much of their

INDUSTRY UPDATE: Construction & Real Estate

Chart 3: Employers of Executives in this Segment



recent growth. Here's what the industry press had to say about the deal:

"Commercial real estate capital markets platform Northmarq has agreed to acquire Stan Johnson Co., a Tulsa-based real estate brokerage and advisory firm, for an undisclosed price. The acquisition will include Stan Johnson's affiliated debt services company, Four Pillars Capital Markets." (See Source.)

Stream Realty Partners on the other hand, which bills itself as one of the fastest growing full-service commercial realtors in the US, has grown organically, hiring mainly from CBRE, Cushman & Wakefield, JLL, and Transwestern. Most of their staff is based in Texas.

Another fast grower is Turner Construction (+11.6%), based in New York: "Turner is a North America-based, international construction services company and is a leading builder in diverse and numerous market segments." The company's talent acquisition appears to be broad-based with significant hiring from Kiewit and Clark Construction in the past 12 months, however, the firm is also expanding to new markets including the UAE, Nigeria, and India among others.

Based in Missouri, US, JE Dunn (+9.6%) is also expanding rapidly though only on a US basis so far, acquiring talent organically and mainly from DPR Construction, Turner Construction, and Kiewit.

Prologis (+7.9%) focuses on logistics real estate saying, "Prologis, Inc. is the global leader in logistics real estate. In partnership with our customers and our communities, we develop modern, high-quality properties that set the standard for innovative building design and sustainability. Prologis owns or has investments in properties and development projects of ~1.2 billion square feet in 19 countries and enables 2.8% of the world's GDP."

INDUSTRY UPDATE: Construction & Real Estate

Clearly, there are different strategies in play for the fastest growing companies we have just reviewed, and location remains an important component.

Chart 4 explores the employment locations for executives in this industry, though we encourage readers to bear in mind that given the opportunity to work remotely these days, where you are employed may not influence where you actually work.

The major locations in the US all show growth levels representative of the industry as a whole, the only real exceptions being perhaps Columbus (+0.9%) and Nashville (+1.7%), though hiring demand appears to be high or very high in numerous locations such as Dallas, Atlanta, San Francisco, Houston, etc.

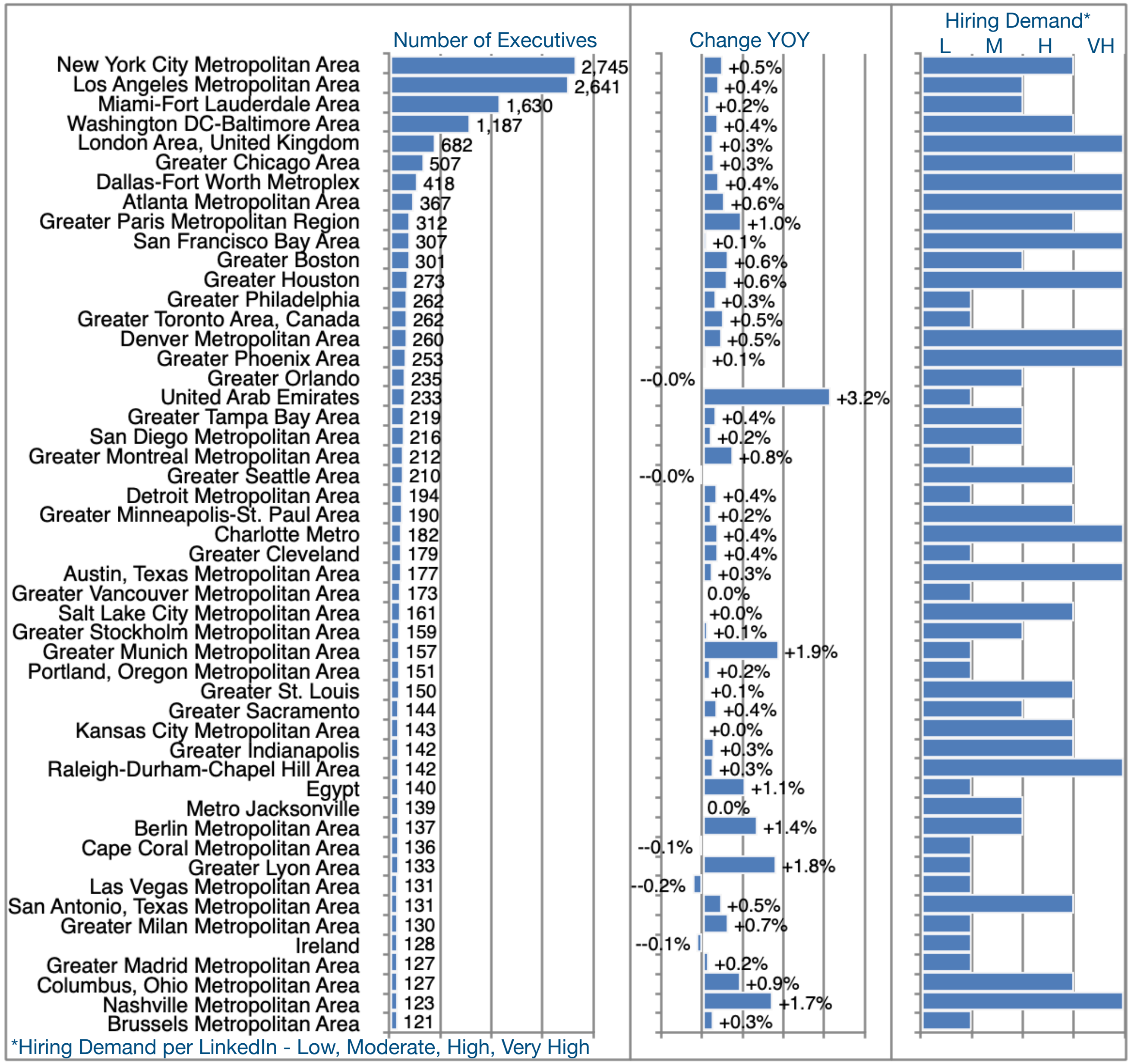
Paris tops London in terms of growth, but hiring demand seems to be higher in London. Other international locations worth mentioning follow.

In the UAE, three employers appear prominently in Dubai, namely, ALDAR, Emaar, and DAMAC Properties.

Munich also shows significant growth. Linder, Colliers, and Künzel Group employ the largest numbers of industry execs there.

Lyon also shows some life. LinkedIn cites Orpi, Gerant, Guy Hoquet L'Immobilier as the largest employers in this sector in Lyon.

Chart 4: Employer Locations



INDUSTRY UPDATE: Manufacturing

Manufacturing

INDUSTRY UPDATE: Manufacturing

Introduction

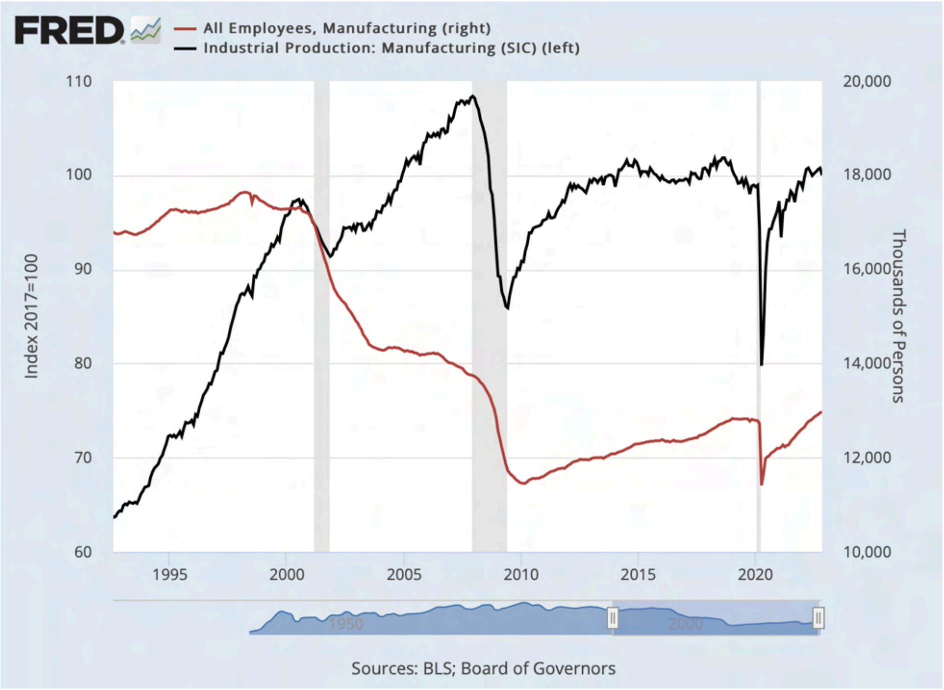
At its peak in 1979, manufacturing accounted for 22% of non-farm employment in the US. It now totals about 9%, equating to approximately 11% of GDP. [See Source.] Recovery from the pandemic and the resultant surge in consumption helped bring renewed life to this sector and this momentum so far seems to be continuing in 2023. Government subsidies to support sectors deemed critical (e.g., semiconductors) and/or viewed as reducing dependency on China are forecast to boom in the US and Europe. However, threats loom as shipping costs rise, the stronger dollar makes exports more expensive even as global growth has slowed, and US consumers shift spending to services. [See Source.]

In Europe, the manufacturing sector apparently comprises a similar share of employment (9%) but twice the share of GDP at 23.8% [See Source and Source] and while 2022 was indeed a bumpy ride the forecast is for gradually accelerating growth in the sector over the coming years. [See Source].

In the Middle East, manufacturing comprises approximately 12% of GDP [See Source] and 10% of total employment but is facing significant growth prospects as the region continues the shift away from its dependency on oil and gas. One key indicator, the industrial automation market, is now expected to achieve CAGR of more than 10% over the coming years [See Source] although, as elsewhere, access to adequate skilled labor resources may represent a substantial bottleneck.

The list of trends affecting manufacturing runs rather long. Here is a convenient distillation:

- Increasing investment in advanced technology including artificial intelligence, automation, and analytics.
- Restructuring of supply chains for resiliency builds on lessons learned during Covid and the resulting interruptions as well as geopolitical tensions that are driving on-shoring, or near-shoring trends.
- Labor shortages.
- Anticipating and thwarting cybersecurity challenges.



- Normalization of demand and supply post-Covid.
- Slowing global growth and higher interest rates affect investment strategies.
- Increasing urgency of sustainable sourcing and processing. [See Source].

So far there seems to be an appetite to invest in manufacturing to address these and other risks and opportunities. In the US, private companies' investments in manufacturing are up about 22% versus their low point in Q1 2022 [See Source]. Since 2020, the "private sector has already invested more than $435 billion in new manufacturing […] in America, including multi-billion-dollar semiconductor factories, electric battery manufacturers, broadband manufacturers, and more." [See Source.]

Europe has some additional issues particularly in sorting out its energy independence after gas curtailments from Russia—a challenge the continent has managed well so far. Beyond this, the increasing competition between the US and China means that Europe must evolve a differentiated strategy to protect itself against over-dependency on China. This explains an uptick in recent trips by European politicians to Canada, Brazil, and many other locations, not to mention China itself. [See Source.] Significant investments in alternative energy such as wind farms on the Baltic or North Sea, which may require €800 Billion [see Source], as well as in various hydrogen-related processes suggest the region is serious about staying competitive in the energy market.

The automotive industry is also worth a significant mention as it grapples with the largest and fastest shift in technology since the invention of the automobile. Rising awareness of imminent threats from global warming have driven global electric vehicles (evs) and hybrids from 0.2% of unit volume in 2012 to 13% in 2022. "The surge is set to continue. By 2025 evs will account for nearly a quarter of sales, says Bloomberg nef, a data firm, and closer to 40% in Europe and China. Even conservative estimates reckon that by 2040 around three-quarters of new-car sales worldwide will be fully electric, as better batteries make even phevs [hybrids] redundant." [See Source].

This means that much of the manufacturing staff, activity, and assets utilized by the biggest players will become redundant quickly, as evs do not require internal combustion engines, transmissions, abundant mechanical engineers, etc. This lowers the entry barrier for newcomers, particularly from China, where software has taken on a far larger importance in buying decisions than brand or horsepower. Manufacturers in the sector are hoovering up displaced software programmers even as the tech industry downsizes. How else will they cope with the challenges of infotainment and autonomous driving that will define the future of the automobile?

Very likely, the automotive industry will look very different in five years. For comparison, John Deere, a manufacturer of farm equipment has actively embraced AI, drones, and autonomous farming vehicles over the last few years, hiring numerous software engineers in the process. Their second quarter results speak for themselves: +34% net sales gain over prior year. [See Source].

In fact, all manufacturing is likely to undergo significant changes in the near future if half of the predictions come true. Here is a selection of forecast trends: [See Source].

- AI, machine learning, and advanced analytics drive efficiencies
- Digital twin and predictive maintenance improve manufacturing (and operating) performance
- Factories tend to shrink in size and move closer to their customers
- Labor shortages require diversity initiatives as well as workforce wage increases and significant retraining
- Multiple factors drive companies toward carbon neutrality
- Additive manufacturing goes mainstream

Exciting times in manufacturing to be sure! So let us now explore the people who will make this happen.

The Market for Executives

Some 1.14 million executives as we define them (see Editor's Note) work in this sector, down 0.2% year on year (YOY). By gender they are overwhelmingly male (83%). Approximately 36,000 of them changed jobs in the last year after a median tenure of 3.4 years. While the US and Canada comprised approximately 780,000 (68%) of this population, Europe and the UK covered another 297,000, and the Middle East about 72,000—only the latter market actually showing YOY growth of 0.4%. But this headline stagnation hides a welter of inter-segment activity as introduced in Chart 1.

As we mentioned in the introduction, all of the major segments show relatively modest YOY change, but Automotive has the slowest growth of any major sector. Overall, although there are a number of areas with declining populations, many sectors are also showing relatively rapid growth including Internet (+4.2%), Biotechnology (+2.5%), Renewables & the Environment (+2.4%), Environmental Services (+2.3%), and Management Consulting (+2.1%).

However, please do not confuse growth with demand, as these are two very different aspects of the executive market. For example, Management Consulting shows both relatively high growth and very high hiring demand (per LinkedIn), whereas other areas such as

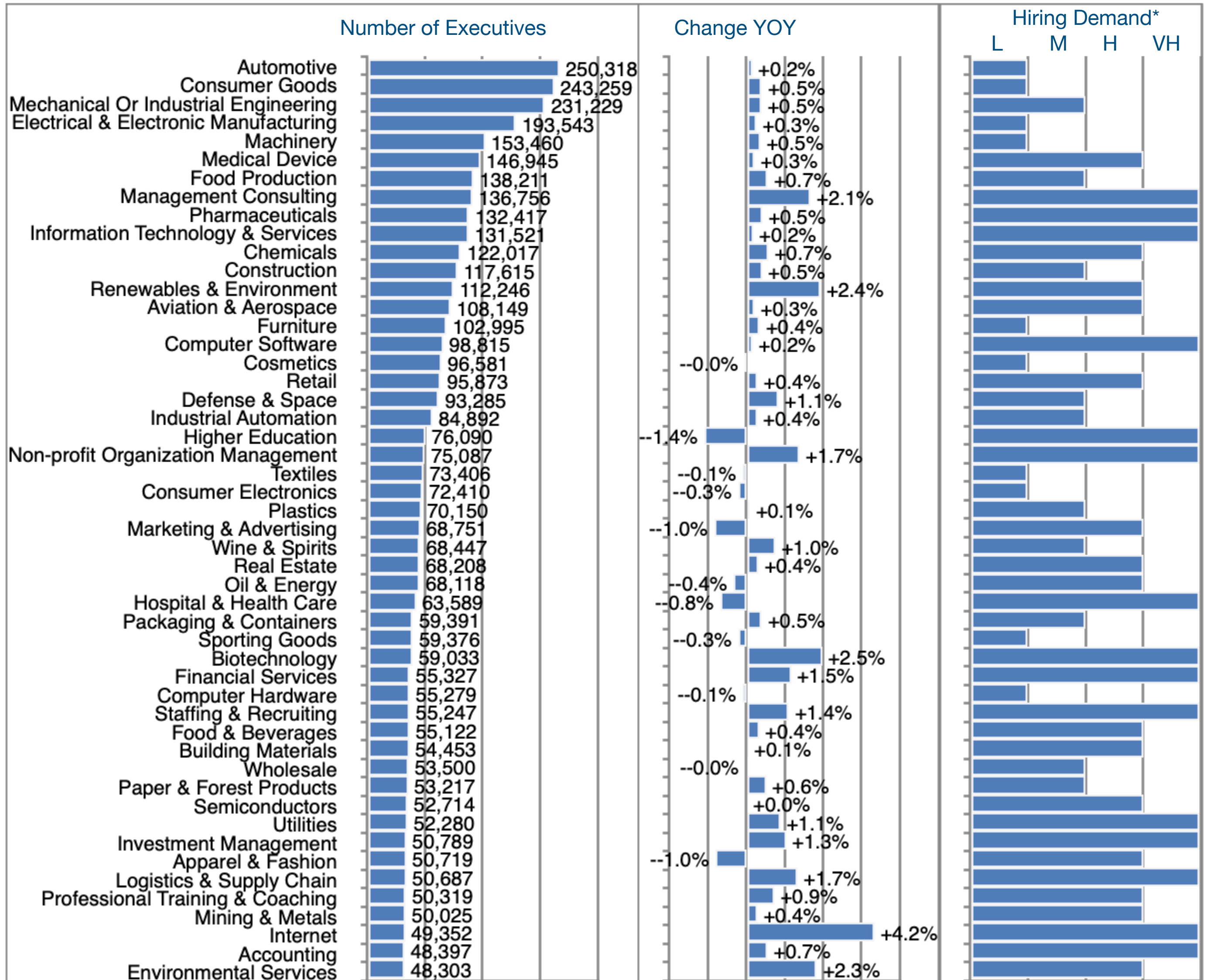
INDUSTRY UPDATE: Manufacturing

Information Technology & Services (+0.2%) show weak growth but very high hiring demand presumably due to the scarcity of qualified resources. The same trend is visible for Computer Software, Higher Education, and Hospital & Health Care manufacturing roles.

Editor's Note:

In this particular Update "executives" will generally refer to the Vice President, Senior Vice President, Chief Operating Officer, Chief Financial Officer, Managing Director, Chief Executive Officer, Chief Manufacturing Officer, Chief Marketing Officer, Chief Information Officer, Managing Partner, General Counsel, Head, and President titles principally located in the US, Canada, Europe, the UK, and/or the Middle East. Unless otherwise noted, the data in this Update will largely come from LinkedIn and represents a snapshot of the market as it was at the time of the research. Is LinkedIn truly representative? Here's a little data: LinkedIn has more than 900 million users. (See Source) It is by far the largest and most robust business database in the world, now in its 20th year. LinkedIn defines the year over year change (YOY Change) as the change in the number of professionals divided by the count as of last year and "attrition" as the departures in the last 12 months divided by the average headcount over the last year.

Chart 1: Executives Employed by Industry



*Low, Moderate, High, and Very High hiring demand per LinkedIn

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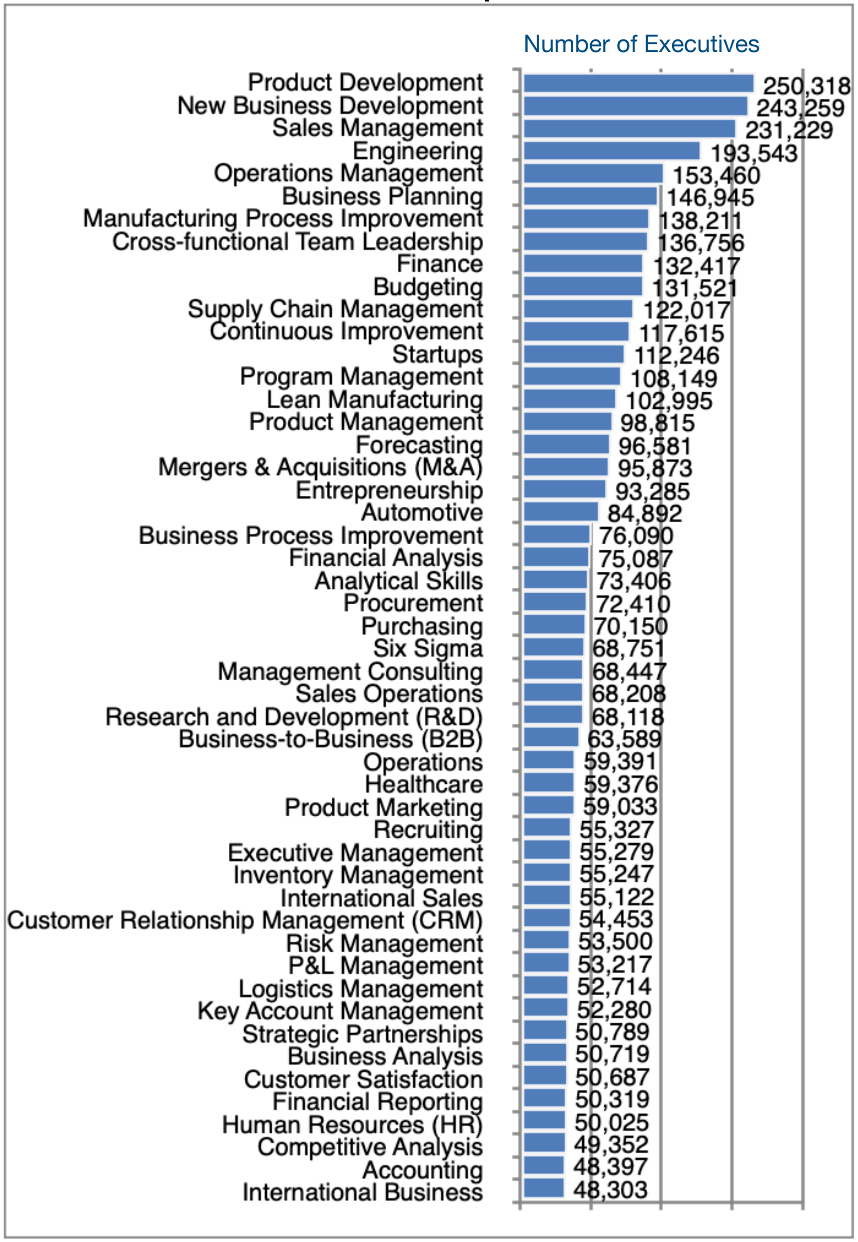
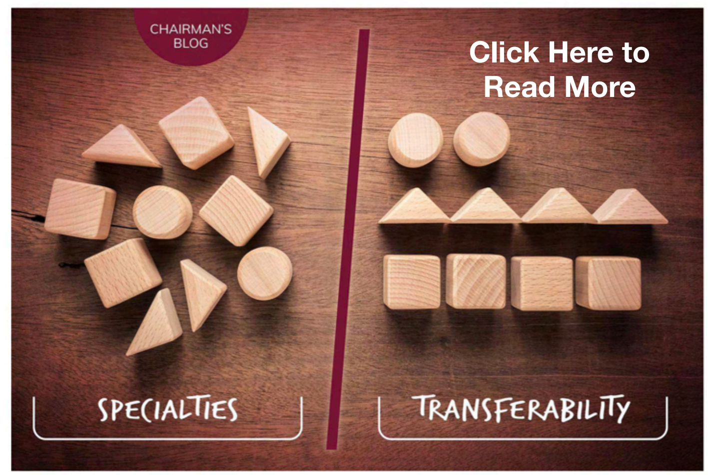
Chart 2: Executives' Specializations



So what do all of these executives actually do, you might ask. Chart 2 begins to answer this by providing an overview of the specializations execs have listed on their LinkedIn profiles. Note, too, that most will have added more than one area of specialization.

As usual, many of these might be considered specific to manufacturing such as Product Development, Engineering, Manufacturing Process Improvement, Supply Chain Management, etc. However, others might well be highly transferable between industries such as New Business Development, Sales Management, Business Planning, etc.

Suppose for a moment that you find yourself in a sector that is showing minimal growth opportunities. Should you hang on or consider moving to a new industry? Yes there is the risk that when changing industries you may have to take a step back compensation-wise—if you do not have the professional support required to really demonstrate the transferability of your experience and achievements.



Do you have Tremendous Transferability?

The Barrett Group (TBG) routinely helps executives reassess their skills inventory and migrate from one industry, geography or role to another seamlessly and without sacrificing compensation. In fact, TBG 's tried and true experience from 30+ years in career management means clients usually negotiate packages that add $10,000, $20,000, $30,000 or more in total compensation. For a sample of these results, visit TBG's Hiring Line.

As far as the major employers of manufacturing executives are concerned, Chart 3 offers a perspective on the top 50 with rates of change ranging

INDUSTRY UPDATE: Manufacturing

between -12.7% and +71.8% YOY.   Let's start at the top end.

Danone (+71.8%) has made numerous acquisitions. The latest as of this Update is Promedica, "a Polish company specializing in care services for patients at home, as it expands in the profitable Specialized Nutrition market." "The acquisition comes as Danone, maker of high-end infant formula brands such as Aptamil and Medical Nutrition brands such as Nutricia, has embarked on a revival plan that entails investing in worthwhile brands and innovation and disposing of underperforming assets." [See Source]. Dumex, a Chinese company acquired in May of 2022 probably also influences the YOY effects. Beyond acquisitions, Danone has also attracted talent from competitors including Unilever, Nestle, L'Oreal, PepsiCo, Reckitt, Mondelez, etc.

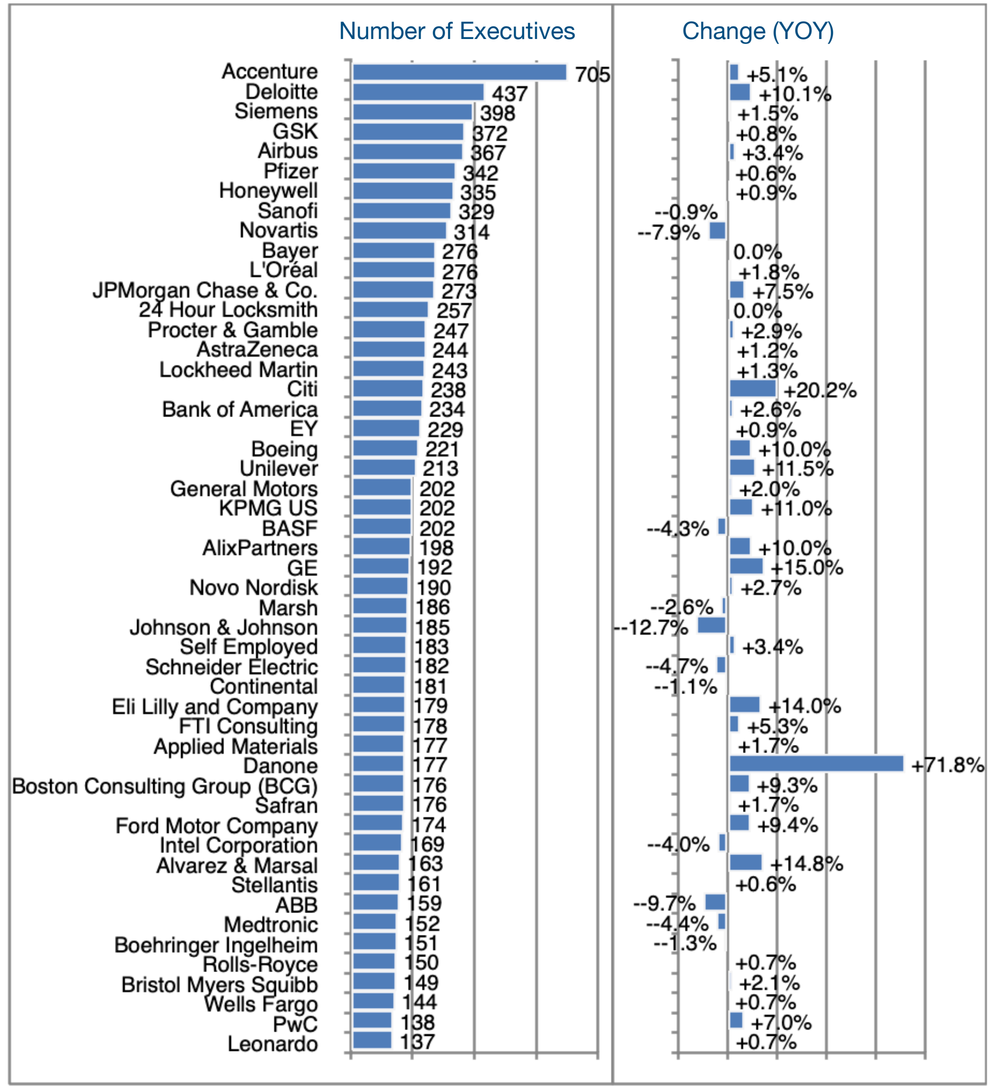
Citi's 20.2% growth is also significant. The bank has acquired staff with manufacturing competency (not only executives) from Tata Consultancy Services, HSBC, Accenture, PWC, Infosys, etc. Latest reports indicate that Citi sees growth coming mainly from organic sources, not acquisition. "We'll be scaling up in the U.S. by building out the investment offering and cross-selling into our existing and new clients across the country," Chief Executive Officer Jane Fraser said during the firm's earnings call for the quarter that ended March 31." [See Source.]

At +15%, GE has also been stocking up, apparently in their power, renewable energy, and Baker Hughes (oil & gas) divisions. Alvarez & Marsal, a professional services firm based in New York, has also added significantly (+14.8%) to its executive ranks, adding talent from the likes of Deloitte, EY, KPMG, PWC, etc.—all in support of improving their clients' business performance.

On the downside, Johnson & Johnson spun off Kenvue (makers of Tylenol, Listerine, Band-Aid, etc.) in May of 2023 contributing to the -12.7% reduction in its executive headcount. Part of their motivation may well have been to help finance the significant expense of their recently reported talcum powder legal issues.

ABB also reduced its executive headcount in part due to the spin-off of Accelleron in October 2022: "The spin-off is part of ABB's portfolio management strategy to focus its efforts on growing global megatrends in electrification and automation, while at the same time allowing Accelleron to grow with increased flexibility and independence as a stand-alone listed company." [See Source.]

Chart 3: Executives' Employers



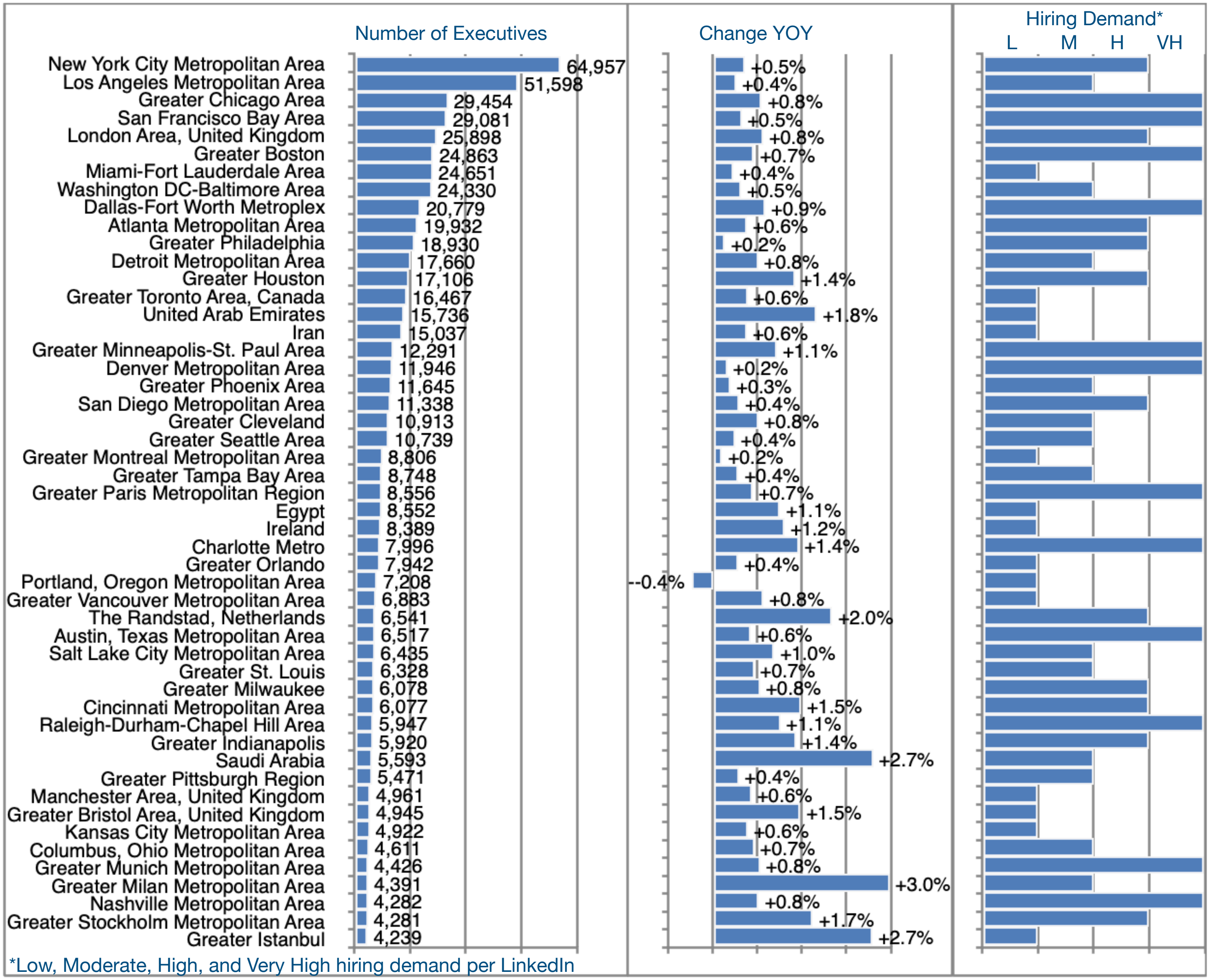
INDUSTRY UPDATE: Manufacturing

Of course, this Update can only provide a general overview of the industry while typically Barrett Group clients receive significantly more detailed research data as part of their career change programs including general industry or location screening data, specific company profiles, and even close-ups of their interviewing managers as may be required.

Chart 4 compares the number of manufacturing executives per major location, the rate of change, and the relative intensity of hiring activity per LinkedIn. While New York and Los Angeles top the charts in terms of quantity, the growth seems again to be mainly in Europe and the Middle East with the UAE, The Randstad, Saudi Arabia, Milan, and Istanbul showing the fastest recent growth.

However, hiring demand is also important, as many locations may not show the YOY growth but they still have "very high hiring demand," i.e., a lot of positions to fill, for example, San Francisco (+0.5%), Chicago (+0.8%), Boston (+0.7%), Denver (+0.2%), Paris (+0.7%), Austin (+0.6%), Munich and Nashville (both at +0.8%).

Chart 4: Executives' Employer Location



INDUSTRY UPDATE: Financial Services

Financial Services

INDUSTRY UPDATE: Financial Services

Introduction

Frankly, it may be impossible to separate several related industries fairly which is why we bundle Financial Services, Banking, Insurance, Accounting, Wealth Management, Investment Banking and Capital Markets under the general umbrella of Financial Services.

As one source puts it: "Over the past two years, the financial services industry has demonstrated its ability to successfully navigate unprecedented levels of uncertainty. From real estate to insurance to investment management to banking and capital markets, financial services organizations across the globe faced the pandemic with remarkable resilience and adaptivity, helping people, organizations, and governments get back on their feet." [See Source.]

However, with inflation flaring, labor markets straining, war in the Ukraine, supply chain upheaval in part due to geopolitical tensions, markets in turmoil, the banking sector sporadically wobbling, some sectors downsizing, and consumers feeling insecure—the challenges are hardly behind us.

What should financial service companies do?

The same source continues, "While some organizations may choose the cost-cutting route, others will point toward smarter execution, finding ways technology can be deployed to add value and create superior customer experiences. While some firms may respond to ESG requirements defensively, focusing on doing only what's required, others will step up and lead, finding opportunities to invest in people and the planet." [See Source.] In fact, there are good reasons for optimism, as one source puts it: "Globally, the financial services industry saw a CAGR of 9.9% from 2020 to 2021 as it recovered from the COVID-19 pandemic, and that growth is expected to continue at a CAGR of 6% from 2020 to 2025. […] The industry was valued at $20.49 trillion in 2020, $22.52 trillion in 2021, and is expected to reach $28.53 trillion in value in 2025." [See Source.]

Let's touch on banking first. On the one hand, "The banking industry is in a much healthier place now than it was after the financial crisis of 2008. Total global assets climbed to $154,211 [Billion] in 2022, up 3.79 percent YoY from [$]148,583 [Billion] in 2021, according to The Banker's Top 1000 World Banks Ranking for 2022." [See Source.] On the other hand, *The Economist* reports, "On May 11th the Federal Deposit Insurance Corporation, an American regulator, revealed that the country's big banks face a bill of $16bn for losses associated with the failures of Silicon Valley Bank (svb) and Signature Bank. They will probably have to kick in even more to cover the fall of First Republic, another lender." [See Source.] Credit Suisse has also been absorbed by UBS at government request to ward off systemic risks. [See Source.] And, while it seems that the dust has settled, the outcome means government involvement in the banking sector continues to grow, whether by regulation, acting as the lender of last resort, or emergency matchmaker.

Is that good? It is certainly better than systemic and widespread default, but it bears its own risks if it goes too far in propping up lenders who have been too profligate or otherwise distorting market effects.

Still, in addition to the capital risks, the banking industry is also facing unprecedented change in the form of too many branches, the shrinking role of cash, surging digital processes, fintech competitors, and even digital currencies. You might think of BitCoin and point to the collapse of FTX or the SEC's recent pursuit of Binance (a crypto-exchange), but in fact, it is again governments who may well be launching the next rounds of digital currencies. [See Source]

Europe is also experiencing all of these pressures buoyed by higher margins due to higher interest rates, but also weighed down by higher costs due to inflation, and major risks due to market volatility, the end of cheap credit, the war in Ukraine, and the economic slowdown seen so far in 2023. Nevertheless, "We expect the majority of rated European banks' NIMs [net interest margins] will continue to grow over 2023 and 2024, rising to a median of 1.55 percent by the end of 2024, up from 1.42 percent as of the end of 2022," says the International Banker. [See Source.]

Excluding health insurance for a moment, other insurance divides normally into Property/Casualty on the one hand and Life/Annuity on the other. In the US the former category ended 2021 at about $714 billion in net premiums written, up 55% over the preceding decade while the latter at $636 Billion rose only 2.1% in the same period. [See Source.] In fact, the Property/Casualty market suffered enormous blows of fate with natural catastrophes and business interruptions surging in the past few years. "In 2022, around 45% of USD 275 billion in global economic losses from natural disasters were covered by insurance. We see a long-term growth trend of 5-7% in annual insured losses, mainly driven by rising loss severity of individual catastrophe events." [See Source.] According to the same source, severe storms represented the largest risk in the most recent decade, particularly in North America. In a nutshell, people are migrating quickly (+620% since 1970) *into* the path of storms like Hurricane Ian. The results are unfortunately predictable as severe weather events continue to increase.

From an insurance point of view, fewer investors apparently wish to invest in funding insurance risks of this kind. "This has created a gap between supply and demand… Higher exposures and shrinking risk appetite typically result in rising prices, higher retention and tighter terms and conditions." [See Source.]

Of course, severe weather is but one aspect of risk. For example, cybersecurity has become a broader business risk. And many of the risks are interconnected. A weather event can bring about supply chain or business interruptions, particularly for on-line businesses, or indeed affect employees' housing or transportation options, etc. "Uncertainties spurred by global challenges, government regulations and economic forces make the risk landscape hard for insurers to navigate." [See Source.]

Then there is the health insurance market. "The U.S. individual health insurance market size was valued at USD 1.60 trillion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 6.08% from 2023 to 2030." [See Source.] McKinsey reports on rather healthy trends in the US market as consumer as well as insurer participation continued to grow while premiums rose only modestly. Overall, "Consumer choice of insurers and products has increased substantially over the past five years." [See Source.] Still, the volume of data to be collected, protected and sifted, the complexity of the service delivery, and the increasing tightness of the labor market all constitute significant challenges.

Forbes sees the answer in increasing nimbleness on the part of insurers, whose data must reside in a secure cloud and can be accessed to generate insights in milliseconds thanks to sophisticated IT architecture and eventually AI. This all requires new skills that may not have been available in the industry before—perhaps some of those tech engineers recently liberated by Meta, Google, Amazon, etc. could fill the gap. But insurance companies also need to upgrade the human side of the equation in their client-facing activities, making customers feel cared for, according to Forbes. [See Source.]

We will not be able to profile all of the accounting, wealth management, and investment management trends in this brief overview, but we would like to take a moment to explore the Middle East. The World Economic Forum has recently predicted strong GDP growth in the region of 3.6% p.a., and fundraising for new investments remains correspondingly strong.

"Globally, the last year has seen Initial Public Offerings (IPOs) slump sharply due to economic woes, including falling stock prices and high inflation. The Middle East is bucking the trend with the region's boom to continue throughout 2023. […] According to recent figures from Bloomberg, Gulf IPOs have attracted a total capital of over $18 billion this year, representing 47 percent of the wider Middle East's $38.2 billion. Half the listing proceeds in Europe, the Middle East and Africa came from the GCC states, as the region benefits from high oil prices and increased investor demand." [See Source.]

The same source continues, "In the Middle East, family-owned businesses are a crucial part of the economy, contributing an impressive 60 percent of the GDP and employing 80 percent of the workforce. Family businesses are uniquely complex and require different services and handling than other types of businesses." [See Source.] This all seems to suggest that there are significant opportunities for financial service companies in the region.

Against this complex background, let us now turn to the men and women who have navigated so many crises successfully so far and explore the market for executives.

INDUSTRY UPDATE: Financial Services

The Market for Executives

In total, 1.1 million executives as we define them work in this industry, a cohort that grew only marginally in the past year by about 1%, but also allowed some 4% to change jobs, implying more than 50,000 executive opportunities over the last twelve months. Only about 26% of these executives are female.

The US and Canada employ some 786,000 in this industry (27% female), while Europe and the UK encompass some 270,000, and the Middle East another 45,000, this latter group having grown by 2% YOY. Overall, LinkedIn states that these executives are in high or very high demand. We will see more specifics on this shortly.

Chart 1 explores the industries on which these executives state that they are principally focused. The top six constitute no particular surprises, and show a relatively modest growth history and hiring demand. Demand picks up considerably in the next tier where ranks seven through sixteen (Information Technology through Hospital & Health Care) all show high or very high demand, except for Marketing & Advertising, although their recent growth varies considerably.

Editor's Note:

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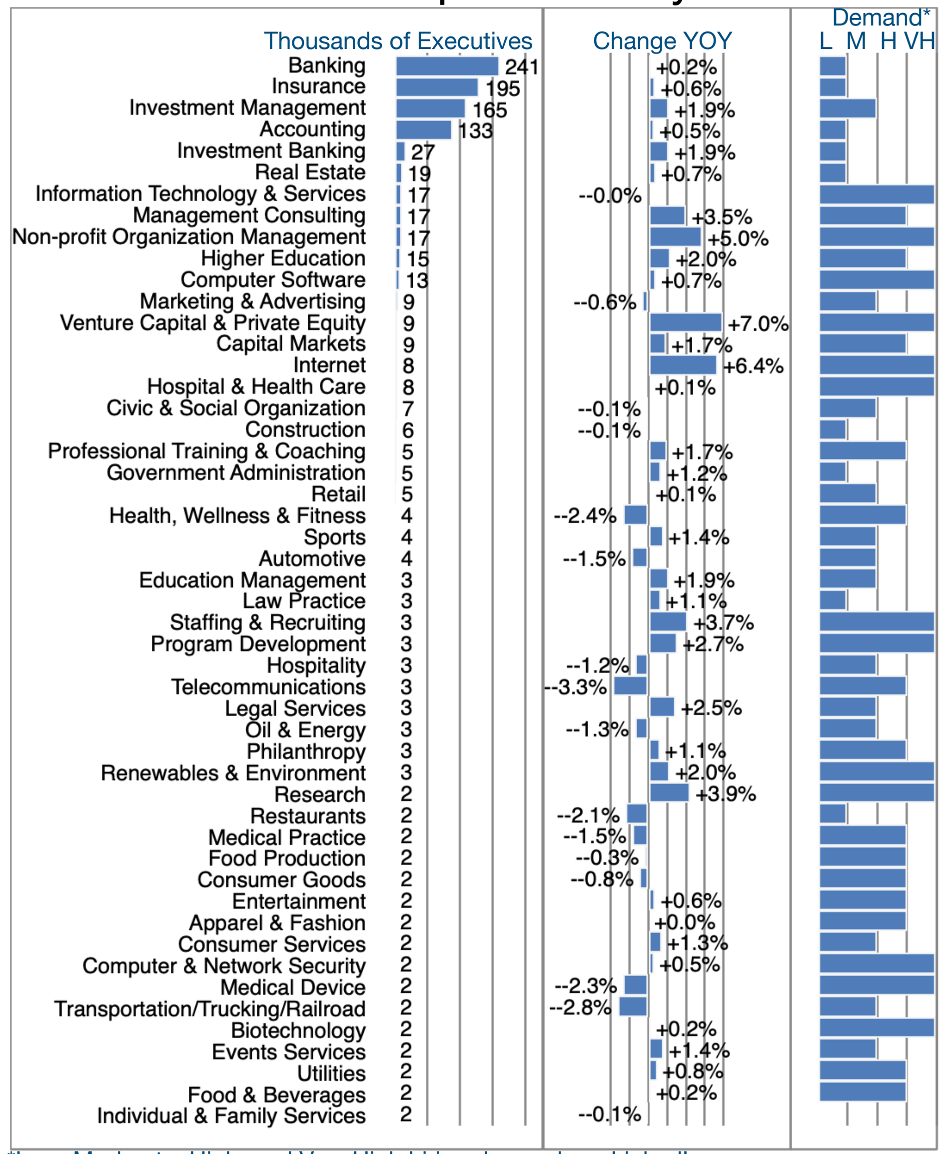
Readers of these Updates will also recognize a few industries as perennially losing executives, such as Telecommunications.

Chart 1: Executives per Industry



*Low, Moderate, High, and Very High hiring demand per LinkedIn

INDUSTRY UPDATE: Financial Services

The good news may be that the skills in this set of industries should be highly transferrable if one knows how to tell the story.

Chart 2 surveys the specializations that executives have flagged on their LinkedIn profiles. Bear in mind that most will have highlighted more than one such, however, the highly numerate skills (Finance, Financial Analysis, etc.) at the top of the ranking should hardly surprise the reader. After all, counting money is the principle preoccupation in these related business segments.

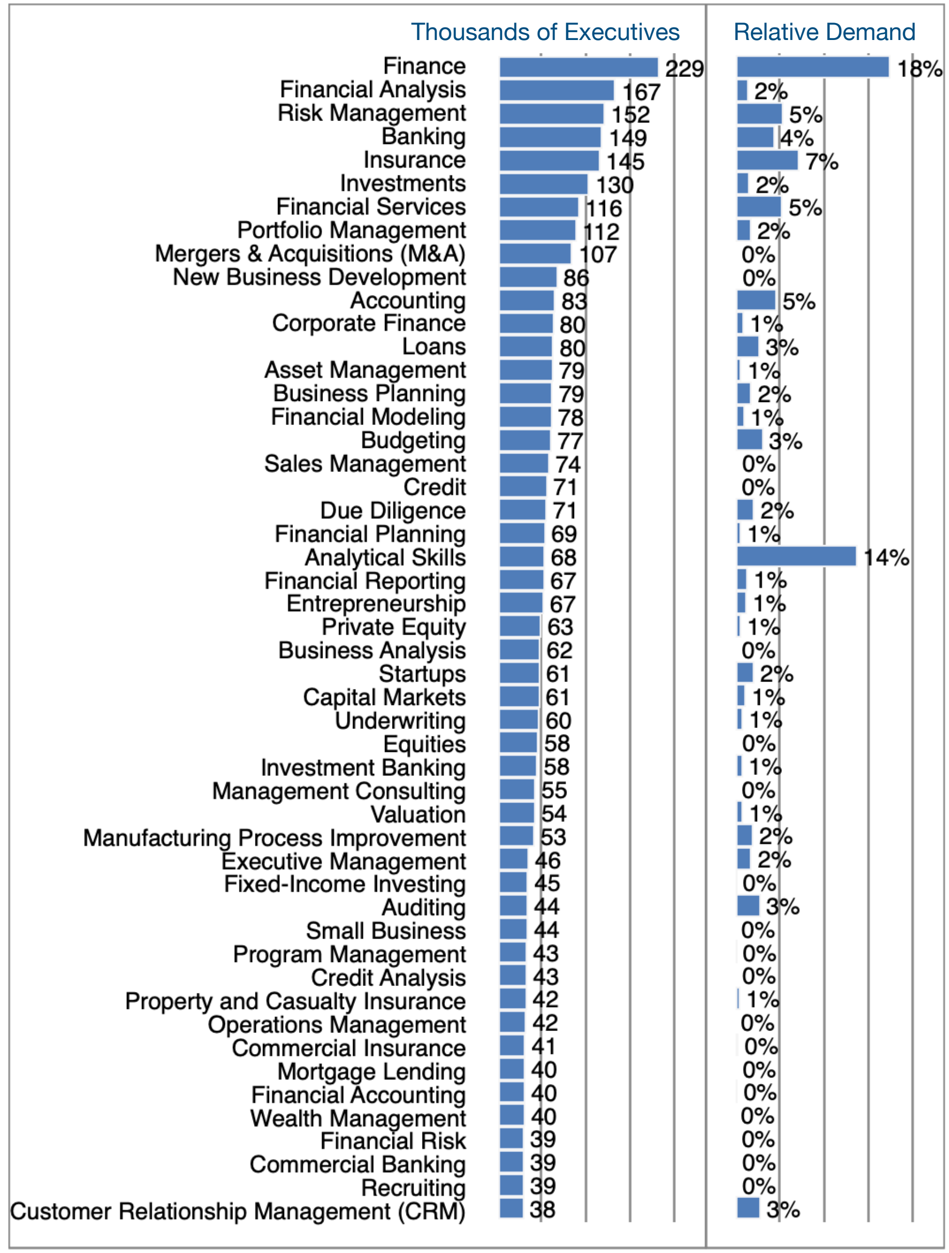
Still, there is ample opportunity for creativity as well, and that is how we at the Barrett Group help clients to reimagine their professional futures, trying on various outcomes as a sort of thought experiment before finalizing their personal strategic plans. After all, what you can do or have done is not necessarily what you want to do. We help clients rethink their professional trajectories, and then re-sort and re-tell their histories to make significant industry, executive role, or even geographic changes possible. Each client is supported by a six-member team of professionals including a research specialist who can, for example, help focus millions of data points down to a specific hiring executive in preparation for an interview.

See our Success Studies for numerous examples.

The "Relative Demand" column on Chart 2 should be taken with a grain of salt as it only shows the share of all want ads published within the cohort of specializations. In other words, according to LinkedIn 14% of the want ads published in these top 50 specializations sought Analytical Skills. We suggest caution here because our experience confirms that most executive opportunities are in fact never published. Instead, they are filled before they can be formalized. We call this the "unpublished" market and fully 75% of our clients land by this means. [Read More.]

Chart 3 considers the titles of the executives in this study revealing that a strong preponderance inhabits the C-suite. This is only possible when the average size of the organization is relatively small. Still, as usual, the executive positions are largely held by males in this industry with peaks for female executives in some predictable areas of expertise

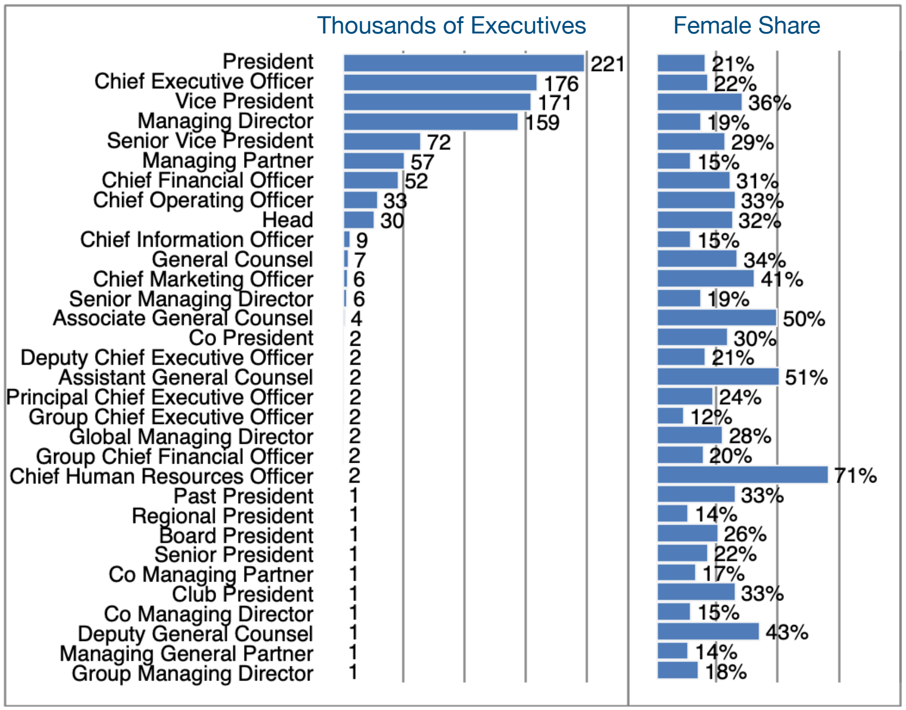
Chart 2: Executive Specializations



INDUSTRY UPDATE: Financial Services

such as the Chief Human Resources Officer (71% female), various General Counsel positions (43%-51%), and Chief Marketing Officer (41%). Frankly, it is a bit of a mystery why a critical function such as the Chief Financial Officer should be less frequent in this cohort than President, but again, this probably has to do with the relative size of the organizations. A smaller firm might manage with an Accounting Manager or Director instead of a CFO, but they will still have a CEO or President.

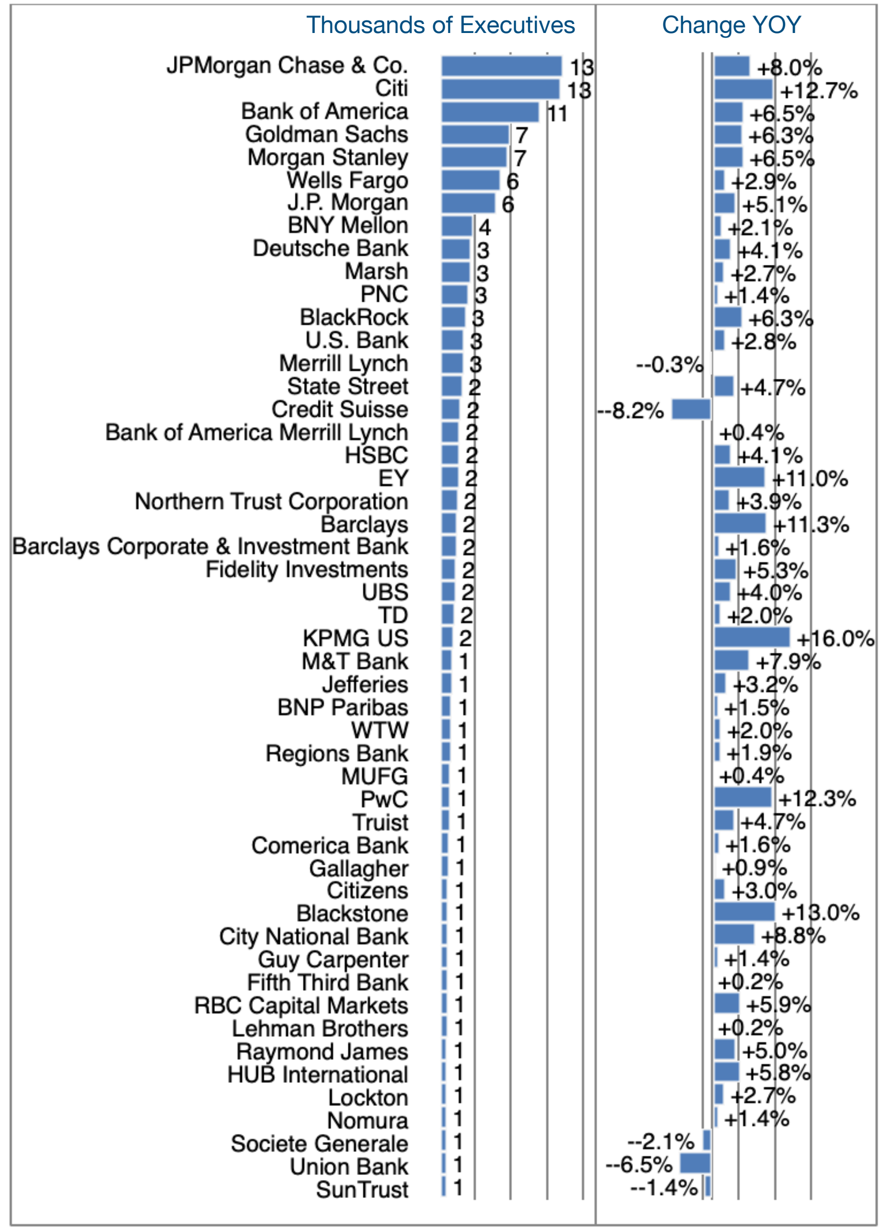
Chart 3: Executive Titles & Female Share



So let us examine the employers of these executives, Chart 4. Many of these companies are probably well known to us as retail or specialized banks with a smattering of large PE firms (Black Rock, Blackstone), Consultants (EY, KPMG, PwC), Wealth Advisors (Fidelity, Raymond James), and Insurers (Marsh, Guy Carpenter).

Among the industry giants, Citi grew by 12.7% in the latest year, adding more than 1,400 executives. In general Citi recruited from direct

Chart 4: Executive Employers



INDUSTRY UPDATE: Financial Services

competitors including Credit Suisse, but also from Tata Consultancy services. Citi's US growth was centered on New York, Tampa, and Dallas while international expansion took place mainly in London, Ireland, Warsaw, and India. JP Morgan also grew by 8% including recruitment from the same two companies, as well as through its "fire sale" acquisition of Silicon Valley Bank. [See Source.] JP Morgan's growth in the US seems to be mainly in New York, Philadelphia, Columbus, Chicago, Dallas, and Los Angeles and outside the US in India, Manilla and London. (Chart 5 summarizes executive locations in this industry.)

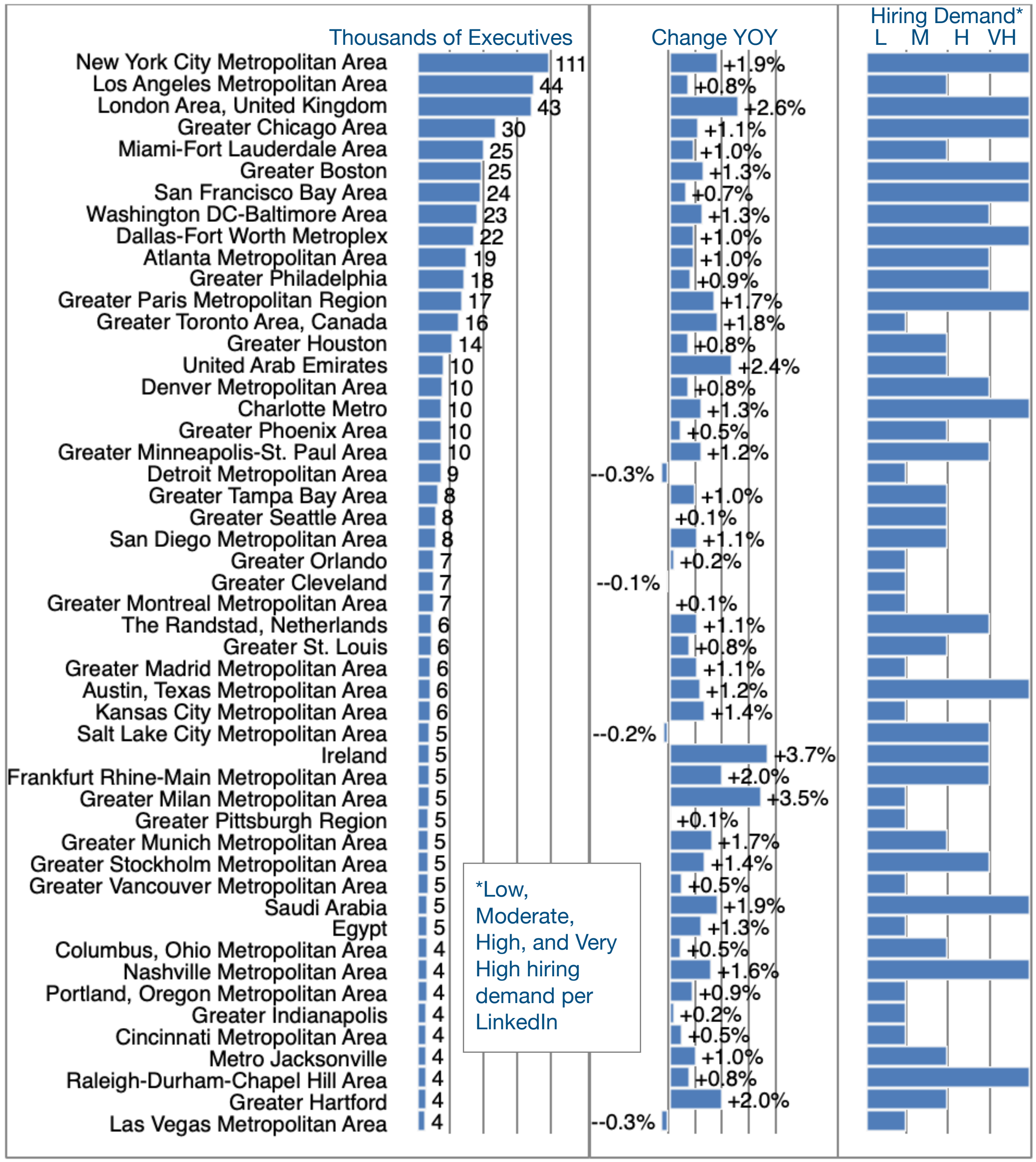
Bank of America shared bombshell results with Wall Street recently and shows no single reason for their significant growth that seems to have been principally in Charlotte, Dallas, and Los Angeles in the US, and in a number of international locations according to LinkedIn, including hiring from Credit Suisse. The bank also launched an innovative entrepreneurs' accelerator program in May that has attracted significant attention.

Among major consulting groups, KPMG grew their executive base organically by 16% in the US, partly from internal international sources, but also from a long list of competitors. PwC also grew by about 12% largely by hiring from competitors, their overall employment growth focused on Boston, Chicago, Atlanta, Tampa, Los Angeles, and San Francisco, and outside the US in India and London. EY grew by circa 32,000 employees in total, including 211 executives. Only 3% of this total headcount growth was in the US while the lion's share was in India.

Blackstone also showed significant executive growth of 13%, mainly in New York and in the Capital Markets specialization, benefitting obviously from downsizing, for example, at Goldman Sachs.

Barclays added staff in New York, Glasgow, and India, adding 11% to its executive ranks in the process.

Chart 5: Executive Location



The Market for Executives

INDUSTRY UPDATE: The Market for Executives

Introduction

At the Barrett Group we have seen 32 clients receive offers or land senior executive positions in the last four weeks—all of them at compensation levels much higher than those quoted below by Indeed (an on-line jobs market). So we believe that the market for executives is strong, particularly the unpublished market where three-quarters of our clients typically land. [Read More.] However, let us see what the market data says and then you as the reader can draw your own conclusions.

The US Bureau of Labor Statistics says, "Overall employment of top executives is projected to grow 6 percent from 2021 to 2031, about as fast as the average for all occupations. […] About 318,100 openings for top executives are projected each year, on average, over the decade. Many of those openings are expected to result from the need to replace workers who transfer to different occupations or exit the labor force, such as to retire." [See Source.]

It may be a secondary indicator, but in Europe, the executive search market is expected to expand from "USD 4,862.85 Million in 2021 […to…] USD 11,551.80 Million by 2030, growing at a CAGR of 10.46% from 2023 to 2030. […] Information technology and the telecom industry [are] booming due to rising demand across different industry verticals including retail, entertainment, education, and healthcare, amongst others." [See Source.]

In fact, the demand for qualified executives apparently exceeds the supply in many industries and regions, including the Middle East which has led some to think more broadly about recruitment: "People are exploring major shifts in their careers ever since 2020 and this trend has continued. Organisations therefore are looking beyond traditional credentials in a candidate to fill the roles. This has drastically changed the hiring process. Therefore, it is imperative to rethink about making the hiring decisions just based on qualifications." [See Source.]

Overall the labor market remains relatively tight, so that even lay-offs are not having a major effect, though they may be helping to slow inflation. As one source puts it, "layoff announcements from U.S.-based employers reached more than 80,000 in May — a 20% jump from the prior month…" [See Source.] The same source continues, "Of those cuts, AI [artificial intelligence] was responsible for 3,900, or roughly 5% of all jobs lost, making it the seventh-highest contributor to employment losses in May cited by employers."

The risk from AI for middle management may be even higher, though, if this source is to be believed: "In a global survey by Pega, 78% of the executives surveyed believe that increasing the use of AI and robots will dramatically reduce the middle management ranks." [See Source.] On the other hand, technology so far has always ultimately generated more jobs, not fewer. "A report by the Institute for the Future […] estimated that nothing less than 85 percent of the jobs that will exist in 2030 haven't even been invented yet." [See Source.]

In any case, there is demand for senior executives today, and these are the positions allegedly most in demand [see Source]:

- Chief Executive Officer (expect higher turnover in the near future)
- Chief Human Resource Officer (shortage of qualified talent)
- Chief Revenue Officer (strong sales solve everything)
- Chief Financial Officer (cash is king)
- Operating Partners (burgeoning role of private equity)
- CIO, CTO, and CISOs (increasing importance of technology and cybersecurity)
- VP or Director of Marketing (opportunities abound in demand generation)

Another source (Indeed) lists a somewhat different ranking, but in general concurs with the titles above, however, the compensation Indeed cites seems very much on the low end compared to what our landed clients are earning. Perhaps that is only the usual variation between the average and the upper end, or perhaps that is the Barrett Group effect.

The Executive Market

Numbering some 9.2 million, the executive market as we define it (see Editor's Note) has only grown by about 1% but some 376,000 have also changed jobs, meaning there have been something on the order of 470,000 executive opportunities in the past year. Gender-wise, this population remains three-quarters male so far, slightly less in the US

INDUSTRY UPDATE: The Market for Executives

and Canada while somewhat more so in Europe and the Middle East. LinkedIn reports that the average tenure for these roles is 3.2 years and also that the hiring demand overall is "high." While the US and Canada comprise 5.4 million, the EU and UK add another 3.3 million, and the Middle East comes in at 466,000 executives.

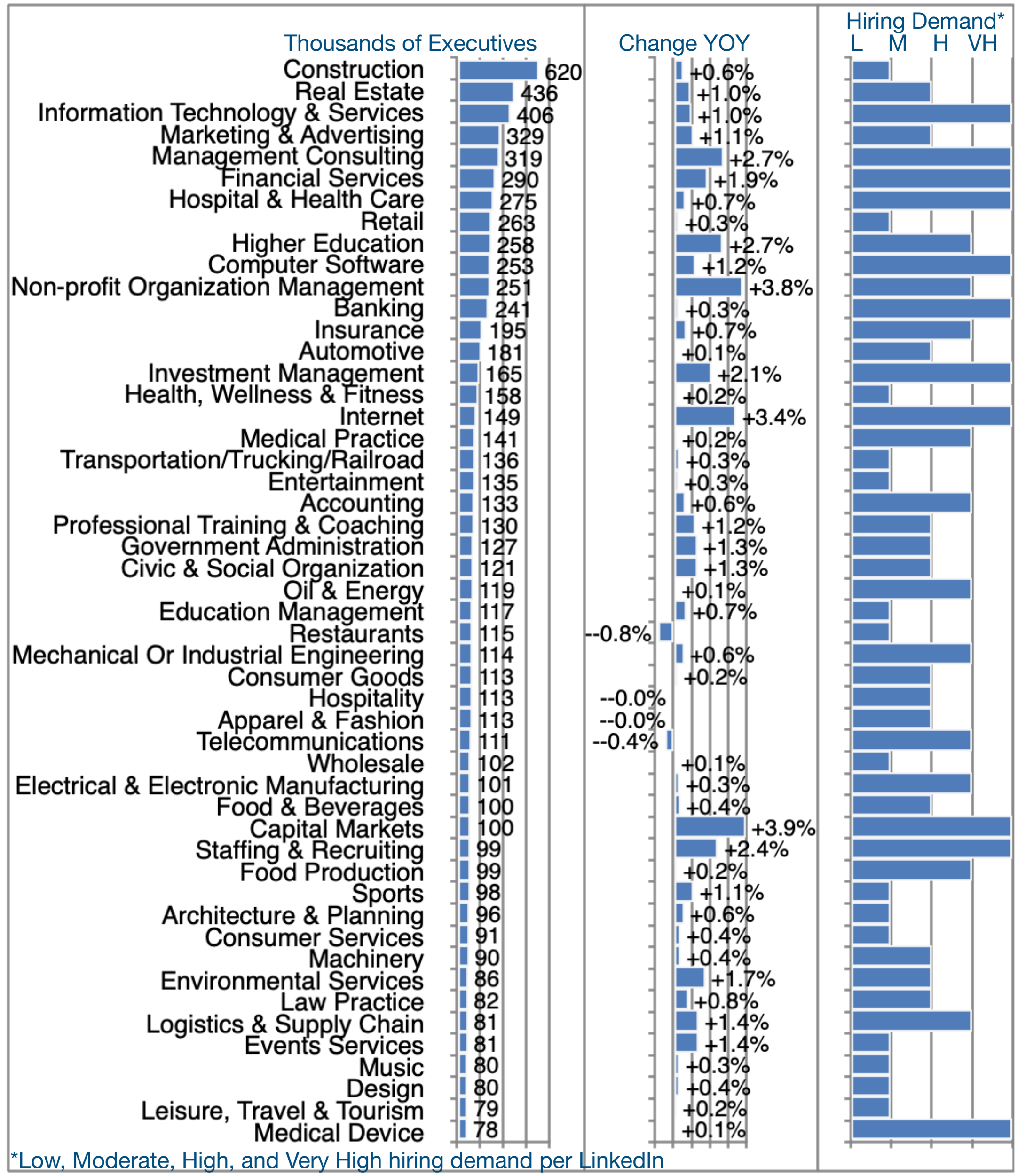
Industrially, Construction and Real Estate top the bill (Chart 1) in terms of the largest number of executives but neither shows particularly high hiring demand or growth. This may well have to do with rising interest rates crimping growth in these sectors even as hybrid and remote work are undermining commercial real estate.

"High interest rates and a recession will make 2023 a challenging year for commercial real estate. […] ESG considerations and the growth of the digital economy will continue to affect real estate demand. Hybrid working offers many benefits for businesses and employees, but companies and the office sector will have to evolve. Cities too will need to adjust to new commuting patterns and reduced office demand. The resurgent retail sector is just now reaping the benefits of a long period of change, which is attracting keen investor interest. Data centers and industrial real estate will probably be the most resilient sectors and the housing shortage will benefit the multifamily sector. The hotel sector's recovery from pandemic restrictions will continue but life sciences activity, which was turbocharged by COVID, will ease for a while as venture capital becomes scarcer. All sectors in all places will be required by governments, occupiers and investors to make significant decarbonization efforts." [See Source and our Industry Update.]

Still, Construction and Real Estate are doing better than Restaurants (-0.8%) or Telecommunications (-0.4%).

On the more positive side of the ledger, Information Technology & Services, Management Consulting, Financial Services, Hospital & Health Care and a number of other sectors continue to experience very high hiring

Chart 1: Executives' Principal Industries



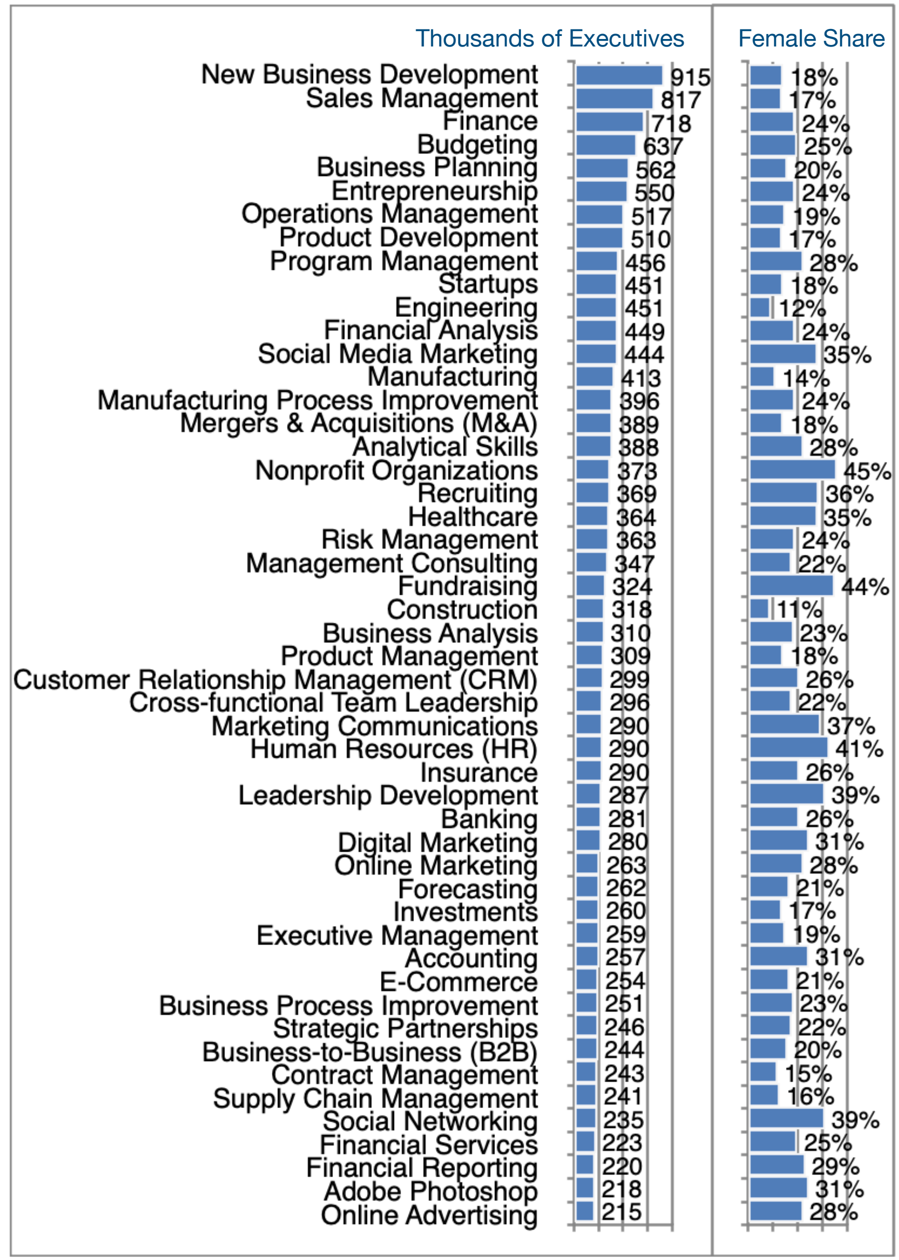
INDUSTRY UPDATE: The Market for Executives

demand for executives. These positive developments are nuanced, however, as, for example, management consultants such as Accenture are also going through significant restructuring periods (see Source) in Q2 2023, or Financial Service companies, for example, UBS, which has announced major lay-offs as it completes its acquisition of Credite Suisse (see Source.) Nevertheless, both of these sectors show significant net growth and high hiring demand as other aspects of their businesses demand fresh executive talent.

One persistent theme in most industries is the lack of qualified personnel, which explains why Staffing and Recruiting firms are also showing high growth and hiring demand. Firms (and applicants) have also had to adapt to remote interviewing, more flexible experience-related criteria, the growing importance of diversity and inclusion as hiring metrics, and increasing use of automation and even AI in the recruitment process to help fill demand. (See Source.)

Chart 2 examines in more detail the specializations executives note on their LinkedIn profiles. Bear in mind that most will highlight more than one skill. As usual, New Business Development and Sales Management are the most common specializations, followed by business fundamentals such as Finance, Budgeting, and Business Planning. In fact relatively few

Chart 2: Executives' Specializations



Editor's Note:

In this particular Update "executives" will generally refer to the Vice President, Senior Vice President, Chief Operating Officer, Chief Financial Officer, Managing Director, Chief Executive Officer, Chief Marketing Officer, Chief Information Officer, Managing Partner, General Counsel, Head, and President titles principally located in the US, Canada, Europe, the UK, and/or the Middle East. Unless otherwise noted, the data in this Update will largely come from LinkedIn and represents a snapshot of the market as it was at the time of the research. Is LinkedIn truly representative? Here's a little data: LinkedIn has more than 900 million users. (See Source) It is by far the largest and most robust business database in the world, now in its 20th year. LinkedIn Talent Insights data is derived by aggregating profile data voluntarily submitted by LinkedIn members. As such, LinkedIn cannot guarantee the accuracy of LinkedIn Talent Insights data.

INDUSTRY UPDATE: The Market for Executives

are industry specific, the exceptions being Engineering, Manufacturing, and Construction, for example. This underlines the fact that moving from one industry or role to another is entirely possible if you know how to highlight and promote your transferrable skills—one major reason executives seek out the Barrett Group. [Read More.]

The other major content of Chart 2 has to do with the gender balance in various specializations, where, as usual, some seem to be very male-oriented while others offer far more opportunity for women. Non-profit Organizations (45%), Fundraising (44%), Human Resources (41%), Social Networking and Leadership Development (both 39%) demonstrate the highest shares of female executives in this population.

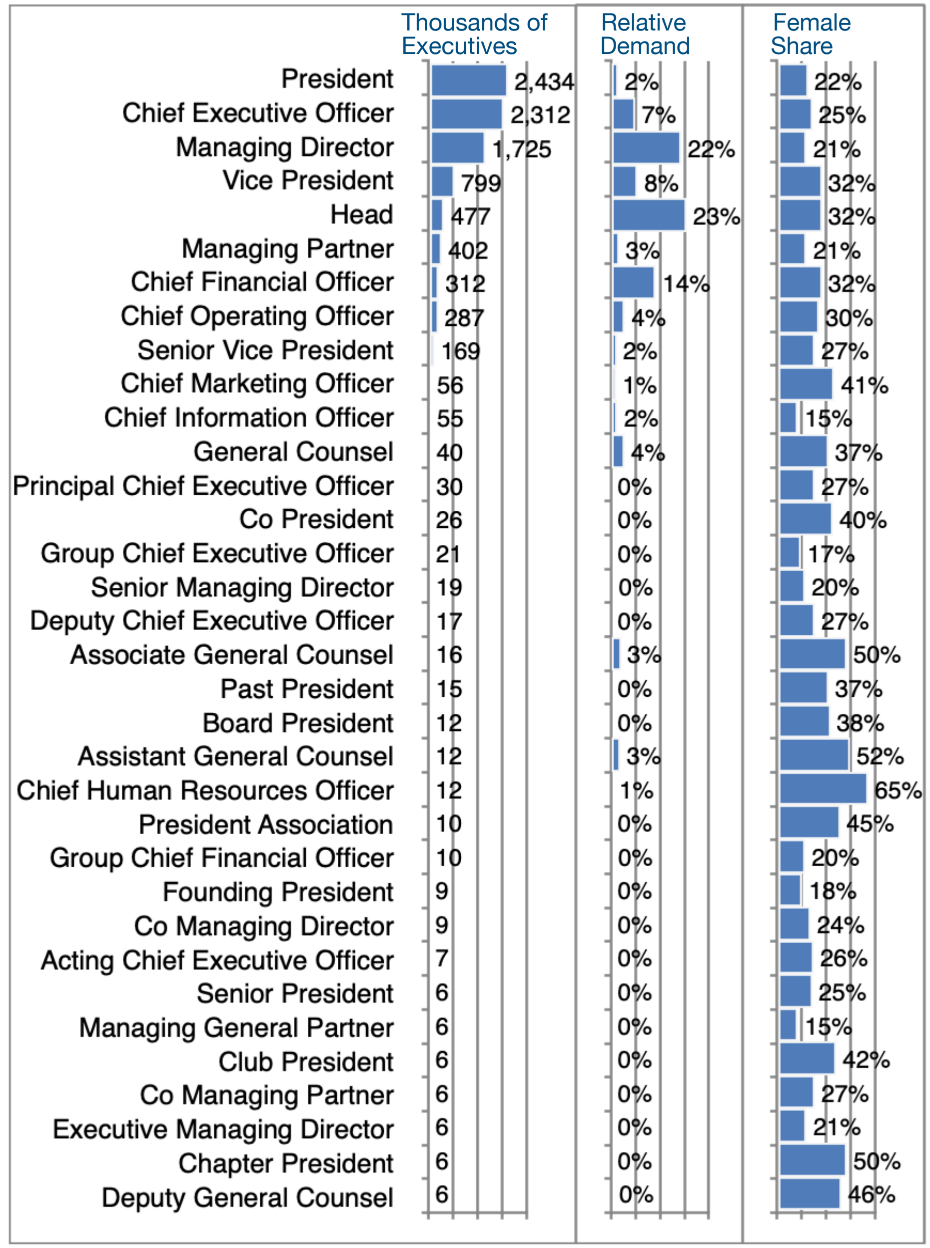
Continuing on the subject of gender balance, Chart 3 highlights the top titles of female executives including Chief Human Resources Officer (65%), General Counsel variations (46-52%) and Chapter President (50%). “Relative Demand” in this context refers to the share of title-specific want ads published (according to LinkedIn) divided by the total number of want ads. On this measure, Head, Managing Director, and Chief Financial Officer showed the highest relative demand. Note too, though that most executive positions are never actually advertised. Fully three-quarters of our clients land through the so-called unpublished market. [Read More.]

Change is in the Air

Chili Pepper Blues and Your Professional Future

If “85 percent of the jobs that will exist in 2030 haven’t even been invented yet” [See Source], how can you be sure you are actually on the right track professionally?

Chart 3: Executive Titles



INDUSTRY UPDATE: The Market for Executives

Chart 4: Executives' Employers

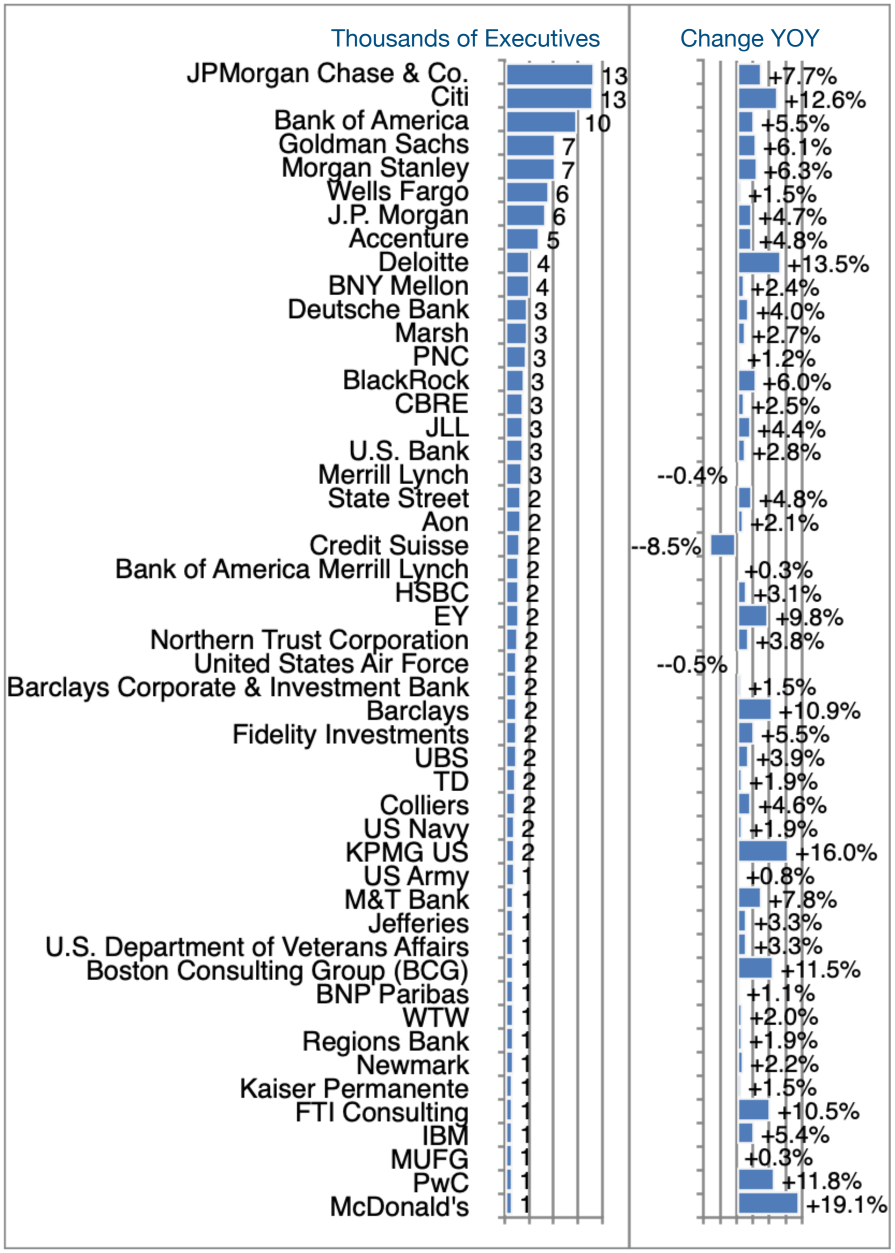


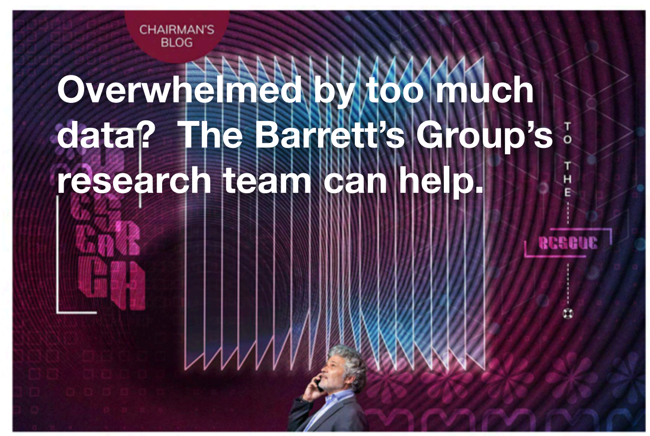
Chart 4 ranks the largest employers of executives in our cohort and excludes those executives who are identifiably self-employed. Starting at the top end with JP Morgan Chase & Co., we find a net change of +7.7%, the talent mainly coming from Morgan Stanley, HSBC, Silicon Valley Bank, UBS, Goldman Sachs, and Deutsche Bank. From a specialization point of view, our data suggests the bank hired mainly for Finance and Financial Analysis skills. Chronologically, the uptick began in November 2022.

Citi grew its executive ranks by even more (+12.6%) and focused mainly on Banking and Capital Markets in terms of targeted specializations, especially in New York, London, and Dallas. They hired from a long list of industry competitors, though they also sold off interests in India to Axis Bank.

Deloitte also stands out in the ranking, growing by +13.5% and fairly consistently over the past year as they hired from EY, Accenture, AWS, IBM, Booz Allen Hamilton, and KPMG (among others). In terms of experience, Deloitte seems to have focused mainly on Management Consulting, Accounting, and Information Technology & Services.

Similarly, KPMG also added +16% to its executive ranks, mainly in New York, Washington DC, and Chicago, but also in Dallas, San Francisco, and Los Angeles. However, their fastest growing locations (probably from a small base) include Seattle, Denver, and Austin. Competency in Accounting, Management Consulting, Banking and Information Technology & Services appear to have been their main targets.

Then there is McDonalds that has grown its executive pool by a whopping +19.1%, strengthening its organization in Paris (+16%), London (+14%), New York (+48%), Los Angeles (+50%), Sydney (+29%), and Miami (+25%) among other locations. McDonalds hired very broadly from restaurant and hospitality firms.



Research to the Rescue

INDUSTRY UPDATE: The Market for Executives

The ranking of executive locations contained in Chart 5 will probably look familiar as New York is usually on top while the strongest growth is often outside the US. And so it is in this cohort.

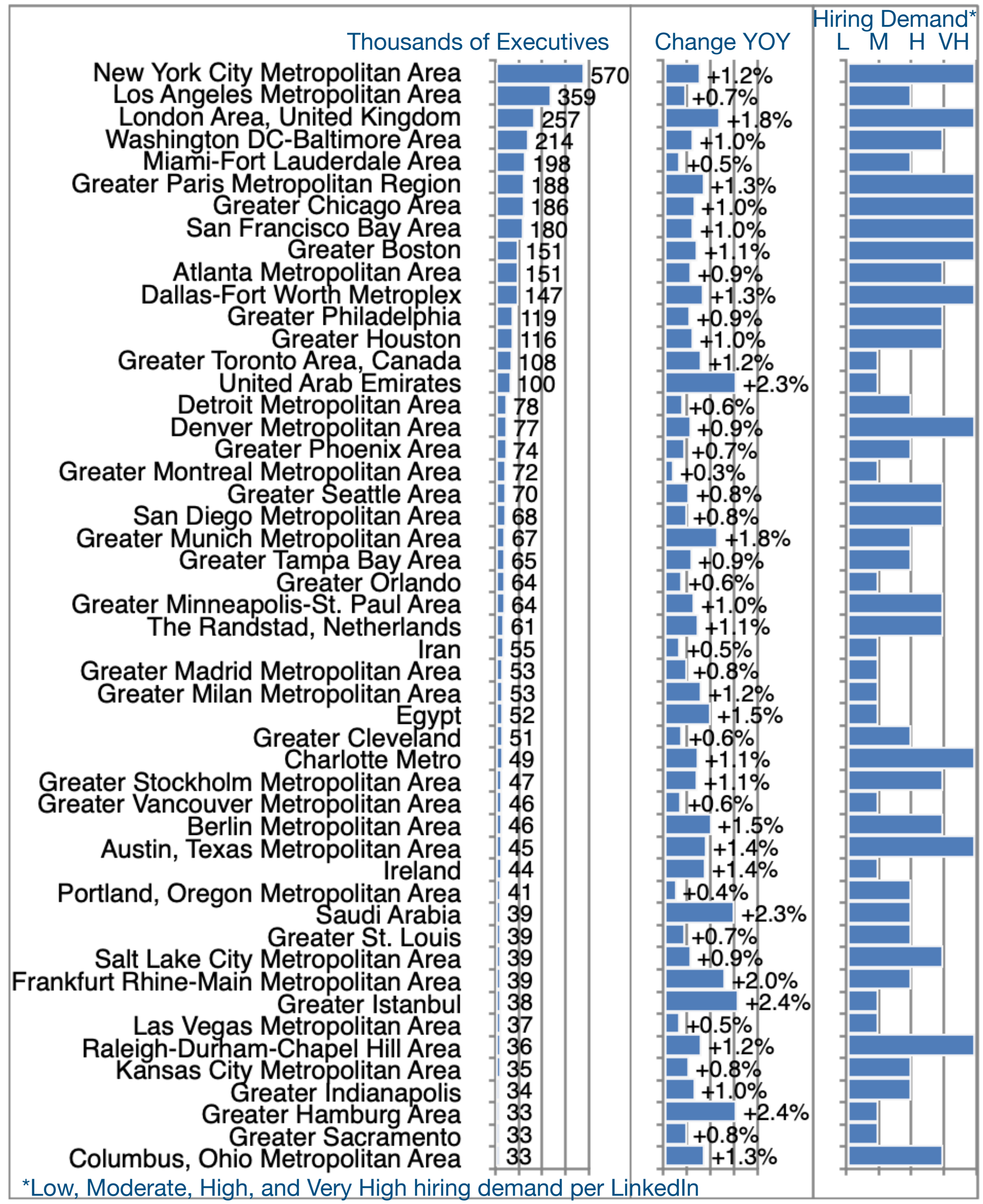
JP Morgan Chase & Co., Citi, and Goldman Sachs appear to be the biggest employers of executives in New York, underlining the importance of the city in the Financial Services sector.   But banking also predominates in Los Angeles, with City National Bank, Bank of America, and Wells Fargo employing the most executives in that market, too.

In London, Citi, JP Morgan, and Deutsche Bank weigh in as the largest employers of executives. In Paris, Societe Generale, BNP Paribas, and Total Energies head the roster. In the UAE, First Abu Dhabi Bank, GEMS Education, and ADNOC Group occupy the top slots.

However, size and historical growth rates are important but perhaps not as critical for the candidate as the overall hiring demand that LinkedIn reports per the right-hand column in Chart 5. Clients of the Barrett Group have access to much more granular data, of course, not to mention a team of six career change professionals. In any case, we encourage all readers to do the required homework before even considering a career change.

Where Are the Executive Jobs?

Chart 5: Executive Locations



INDUSTRY UPDATE: Marketing & Advertising

Marketing & Advertising

INDUSTRY UPDATE: Marketing & Advertising

Introduction

Advertising and marketing used to be so simple. Broadcast, print, point of sale… the options were limited and there were relatively few outlets. It seemed at least as if access to any given audience was highly controlled by a small cadre of media outlets. However, the proliferation of "outlets" over the last decades is astounding. Speaking only of "newsrooms", one source says, "…we have over 3,000 outlets that call themselves newsrooms in America." (See Source.)

Indeed, all media have undergone a rapid transformation, here summarized as an example from the US Census Bureau:

- "Total estimated weekday circulation of U.S. daily newspapers was 55.8 million in 2000 and dropped to 24.2 million by 2020…"
- "Newspaper Publishers revenue in 2020 was less than half what it was in 2002, dropping from $46.2 billion to $22.1 billion…"
- "Periodical Publishing dropped from $40.2 billion in 2002 to $23.9 billion in 2020."
- "In 2020, Video Tape and Disc Rental revenue was $1.1 billion, about one-ninth of what it was in 2002 ($9.4 billion)." (See Source.)

Similar trends are visible worldwide. The major beneficiaries have been digital media, particularly internet-based outlets, social media platforms, search engines (e.g., Google), and omni-channel players such as Amazon. As a result, the "…market for digital advertising is anticipated to surpass $700 billion by 2025 and reach $835.8 billion by 2026. This amounts to a 60% increase from 2021 and will account for 72.5% of all media advertising spending. In other words, by 2026, over $0.73 of every $1 spent on advertising will be for digital ads." (See Source.)

"The United States remains the indisputably largest advertising market in the world, with an expenditure that often surpasses most of the other countries in the top 10 combined. The sector forecast[s] that the U.S. ad industry revenue will grow by 2.6 percent in 2023, reaching a record-high 352 billion U.S. dollars. As a multifaceted and dynamic business, advertising and its many moving parts have marched in various directions. According to the latest projections, the digital segment's hegemony is far from reaching its limits. In 2022, the internet accounted for an estimated 63 percent of the U.S. ad expenditure. The share is expected to surpass 68 percent by 2026. Yesterday's flagship, television, may see its stake decline from almost 21 to less than 18 percent in the same period…" (See Source.)

However, Europe is also a large and attractive advertising market. "According to 2023 forecasts, the continent alone will account for almost one-fifth of ad spending worldwide […] Its robust revenues are expected to continue to expand, albeit at a relatively slow pace. In 2023, Europe's ad expenditure will reach an estimated 143 billion U.S. dollars, up two percent from the previous year. And not only the entire region is projected to see that annual figure rise, but also each of the main European markets will likely raise their respective ad revenues. Of those sub-regions, 2023 predictions indicate that Central and Eastern Europe (CEE) will top the ranking of the fastest-growing advertising territories in Europe, with an increase rate of 3.5 percent. The only other market expected to follow a similar pace is the United Kingdom, at 3.1 percent." (See Source.)

As far as the Middle East is concerned, the consumption of media is growing rapidly. "The Middle East Media and Entertainment Market size is expected to grow from USD [39 Billion] in 2023 to USD [61 Billion] by 2028, at a CAGR of 9.41%…" (See Source.) Yet the trend toward digital media is clear even here. "The Middle East and North Africa (MENA) region is no exception to the growing investment in digital ads. In 2020, internet ad spend in MENA amounted to around 4.4 billion U.S. dollars and it is expected to increase to 7.9 billion U.S. dollars by 2024." (See Source.) Deloitte conducted an interesting survey of CMO's priorities recently. Here is one comment on their findings in the Middle East: "This survey provides valuable insights into the current state of marketing in the Middle East and the priorities for brands as they look to

INDUSTRY UPDATE: Marketing & Advertising

the future. We are encouraged to see a strong focus on sustainability, creative transformations, and the adoption of emerging technologies to drive growth and customer engagement." (See Source.)

These trends are also visible in other regions, of course. The importance of the shift toward streaming content cannot be ignored though as an overall tectonic change in the media landscape: "The global video streaming market size is expected to reach USD 416.84 billion by 2030, registering a CAGR of 21.5% from 2023 to 2030…" (see Source.) Even as the major players battle for subscriptions, the real challenge is "catching eyes" and in that regard a number of innovations are likely to have an outsized effect.

Among the numerous "trends in marketing" lists available on the internet, here is one we found more valuable than most:

- Increased use of automation and AI
- Growth of mobile advertising
- Focus on privacy and protection
- Shift toward video advertising
- The emergence of new technologies (e.g., virtual reality, See Source.)

The potential of virtual reality is yet to be truly demonstrated, but new buzzwords such as "connected TV" and "programmatic technology" already allude to the growing ability of consumers to purchase a service or product directly from the video link they may be watching (most likely on a mobile device), or the ability of marketeers to identify a viewer's current interests and immediately show relevant ads or advertorials. This latter approach, of course, may well encounter some limitations due to privacy concerns.

Inevitably social media will play a larger and larger role as new arrivals such as TikTok capture particularly younger audiences. (See Source.) Several other key trends include the fact that even while their frequency explodes, mobile video ads are ever shorter and now often muted so as not to irritate their audiences. Building on the popularity of mobile gaming, advertising increasingly exploits potential synergies with game characters, icons and references.

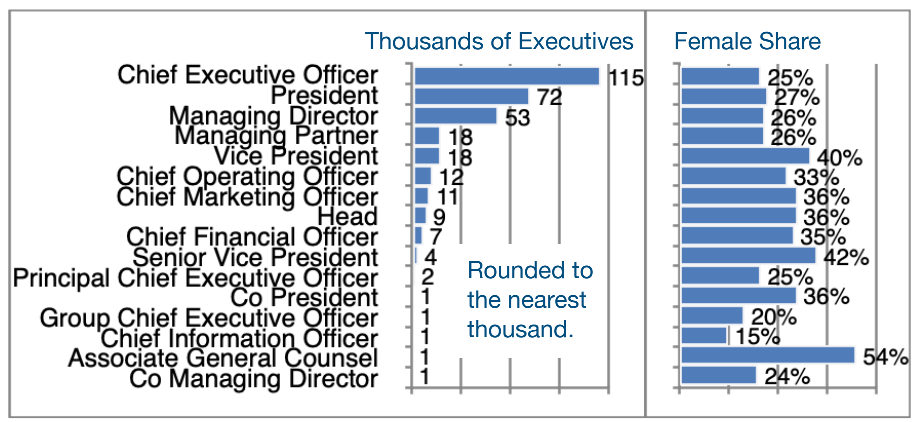
In any case, it is clear that advertising and marketing is a very rapidly evolving field requiring talented and experienced executives to generate the best possible returns. Let us now explore this disparate cohort and see how it is evolving.

The Market for Executives

As defined in the Editor's Note, this population counts about 319,000, having grown by 1% in the past year while some 10,500 changed jobs, meaning the total executive opportunity lay in the 13,000 range. Overall, executives in this field have a median tenure of 3.3 years, and are only about 29% female. LinkedIn also says they are generally in "high demand" though that varies by specialization and location, of course.

The US and Canada comprise circa 58% (184,000) of this cohort but only 40% of the executive opportunities in the past year. The EU and UK on the other hand show higher overall growth (+2%) totaling some 116,000 execs and circa 50% of the overall opportunities. The Middle East group also grew by approximately 2% to 19,000, generating 10% of the open opportunities in the period. The size of these organizations is noticeably smaller than many other industries we have studied. This becomes clear in Chart 1 due to the very high number of CEOs and

Chart 1: Executive Titles



INDUSTRY UPDATE: Marketing & Advertising

Presidents in the mix. The inequitable distribution of roles by gender is gradually changing, however, as of this Update still relegates women predominantly to various Vice President and Associate General Counsel roles in this industry.

Clearly advertising and marketing executives may well work in an agency providing services to client companies or they may provide in-house support within a company or corporation. Chart 2 reveals the principal industries of these employers as well as their growth and demand dynamics per LinkedIn.

On a percentage basis, Venture Capital & Private Equity (+5.4%), Management Consulting (+4.9%), Non-profit Organization Management (+4.5%), and Staffing & Recruiting (+4.3%) have grown the fastest. On the other end of the spectrum, Banking (-4.0%), Consumer Goods (-3.8%), and Restaurants (-3.1%) have declined most rapidly.

Perhaps more important than the historical growth is the current hiring demand that LinkedIn rates in the right-hand column where an unusually high 33% of the Specializations

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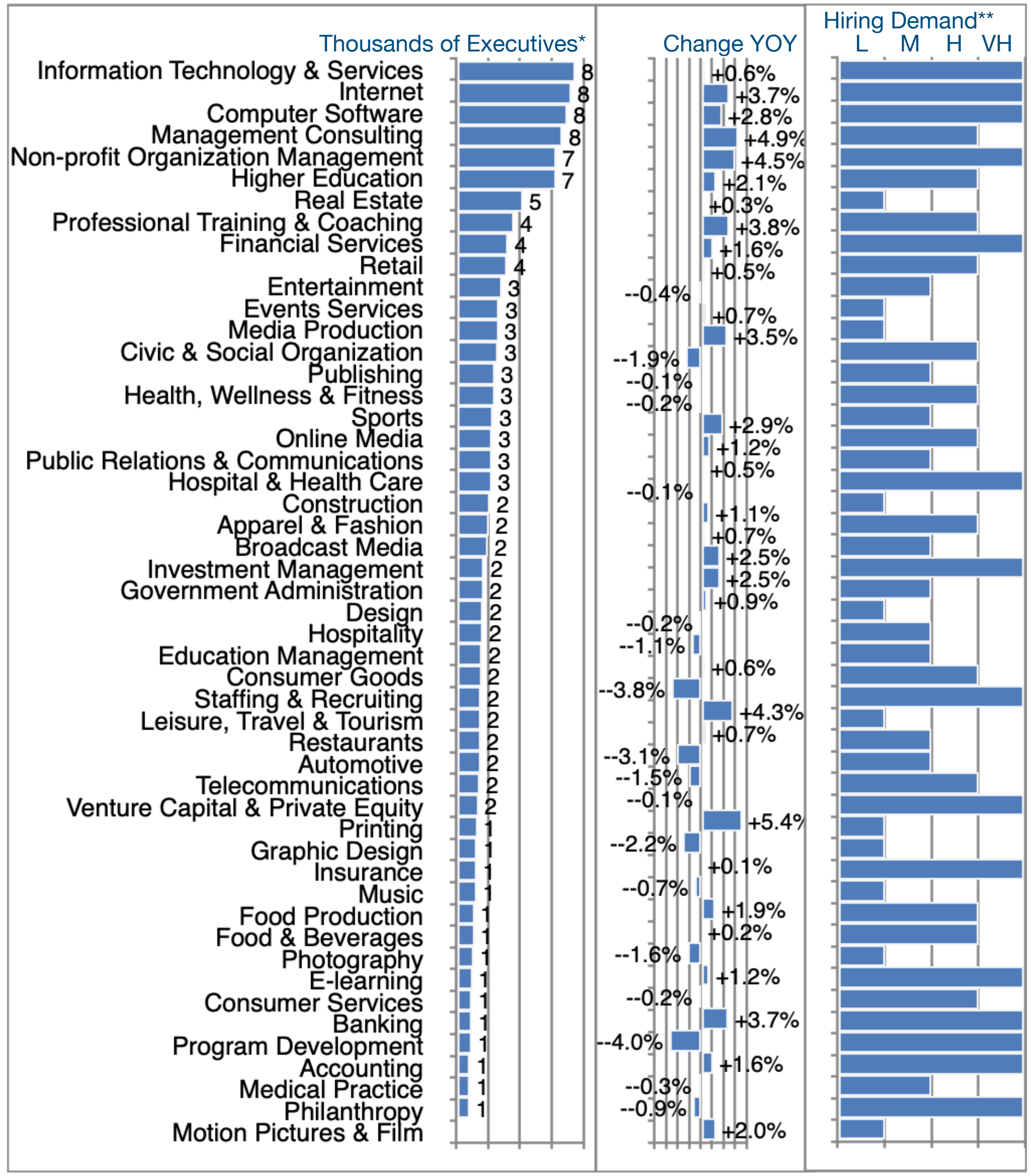
Chart 2: Principal Industries



*Rounded to nearest thousand. **Low, Moderate, High, and Very High hiring demand per LinkedIn

INDUSTRY UPDATE: Marketing & Advertising

rate as having a “very high” hiring demand. This bodes well for professionals seeking opportunity and having those particular industrial backgrounds—regardless of the historical development.

We cannot identify specific growth rates for the Specializations (Chart 3) unfortunately, but it is perfectly clear that Social Media, Digital Marketing, and Online Marketing/Advertising are the top four fields of endeavor—as alluded to in our introduction. More specifically, Artificial Intelligence and Machine Learning as specializations are, of course, running hot at the moment—up 103% at something over 3,000 executives claiming AI as one of their specializations. (Remember, we are not talking about programmers here, but executives as we define them.) This alleged competence in AI is well distributed geographically (Chart 4) with New York, San Francisco, Los Angeles, but also London, Paris, and Toronto all showing up in the top ten locations where execs claim this capability.

Why focus on AI? Here’s what one recent survey of marketing professionals discovered: “Some 82% of respondents say content writers face a high risk of disruption from AI, 43% say

Chart 4: Execs with AI Competence

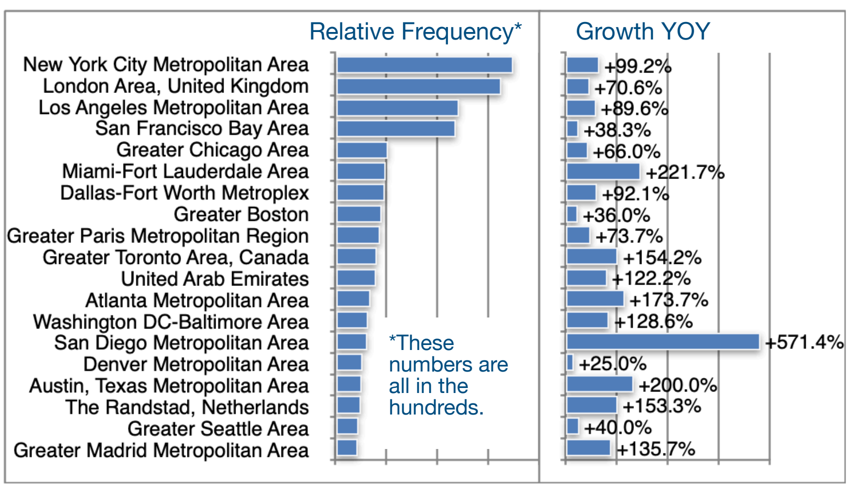
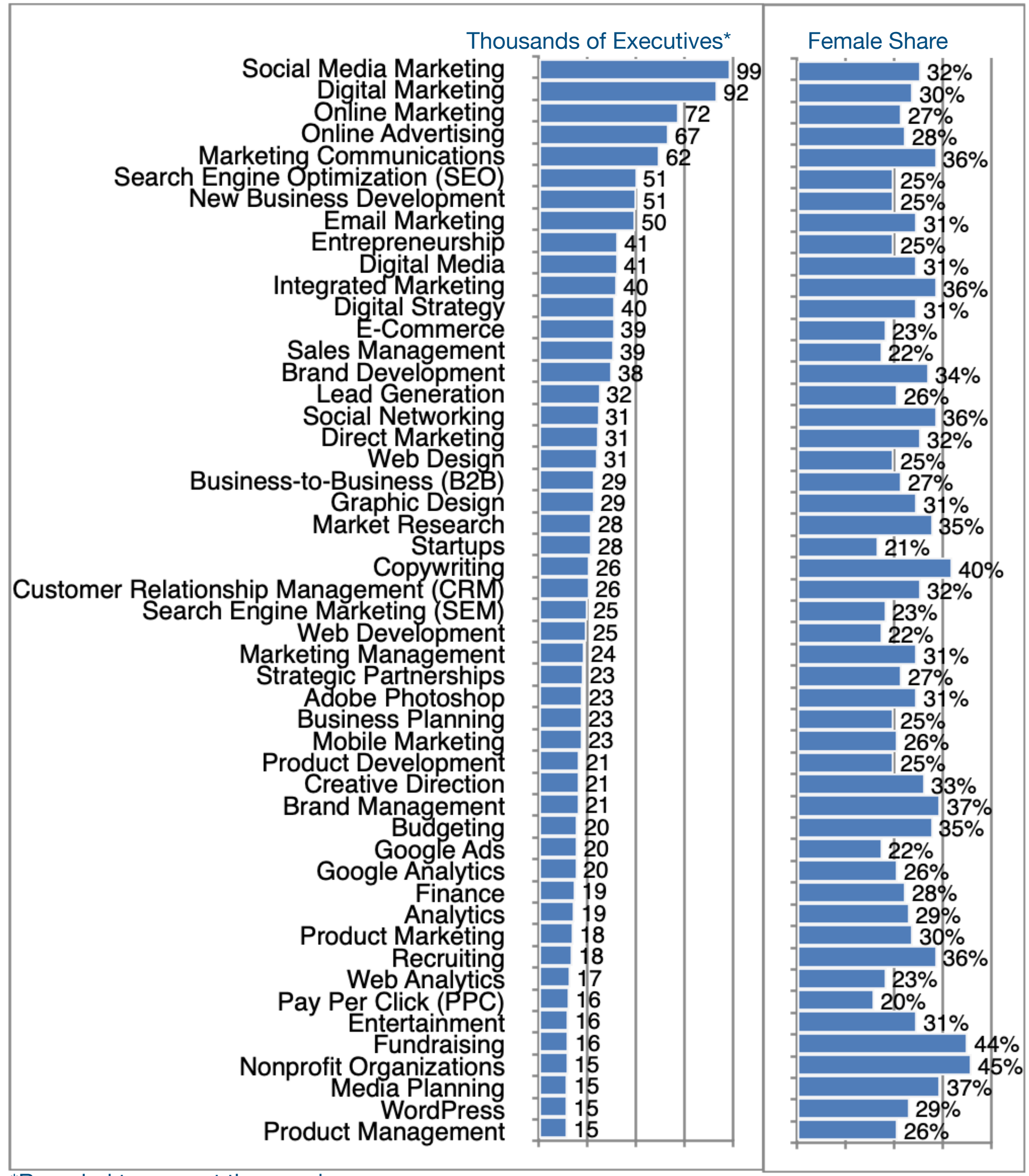


Chart 3: Executive Specializations



*Rounded to nearest thousand.

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email marketers face a high risk, and 34% say social media managers face a high risk. Just over half (50.6%) of digital marketers say they are concerned about AI threatening their job." [See Source.]

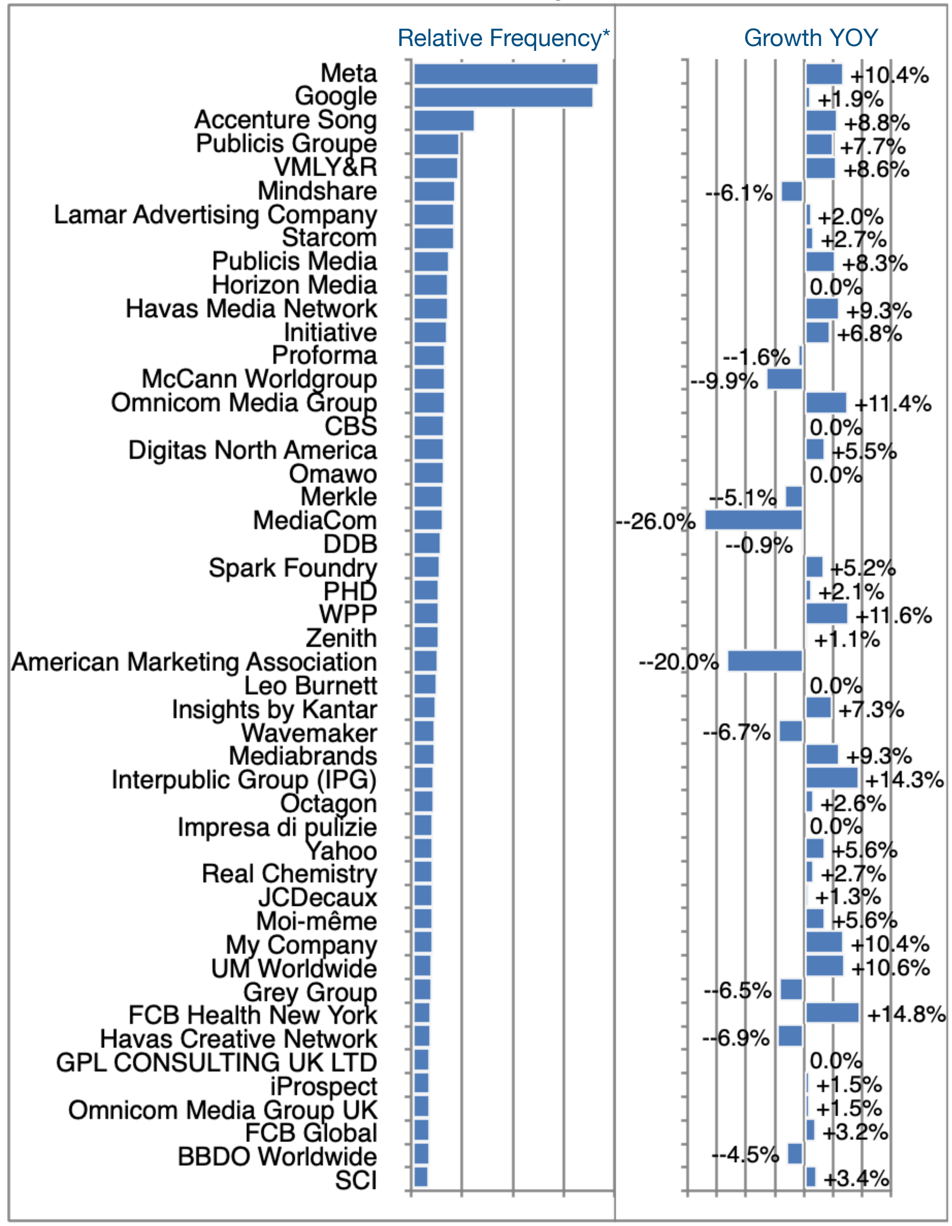
Now it is certainly true that over time technology has actually created jobs, possibly more than it has destroyed, however, it is always prudent to keep one eye on the horizon speaking metaphorically and to be prepared for change. That is exactly what the Barrett Group does for hundreds of executives every year (now for over three decades)—we help them proactively chart a new course and pursue a change on their own before it is imposed on them. [Read More.]

Acting Up Against AI

Imagine you are an actor, perhaps an extra, who hopes to get a few lines in a movie, a commercial, or a series. The risk of AI is that this actor can be filmed (and paid for one day) and then reproduced endlessly by digital means and versioned with AI. This effectively eliminates most of the actor's livelihood.

"You know it's bad when the cocreator of *The Matrix* thinks your artificial intelligence plan stinks. In June, as the Directors Guild of America was about to sign its union contract with Hollywood studios, Lilly Wachowski sent out a series of tweets explaining why she was voting no. The contact's AI clause, which stipulates that generative AI can't be considered a "person" or perform duties normally done by DGA members, didn't go far enough. "We need to change the language to imply that we won't use AI in any department, on any show we work on," Wachowski wrote. "I strongly believe the fight we [are] in right now in our industry is a microcosm of a much larger and critical crisis."" [See Source.]

Chart 5: Executive Employers



*These numbers are all in the hundreds.

INDUSTRY UPDATE: Marketing & Advertising

Chart 5 summarizes the largest employers of executives in this field, though frankly, because of the highly distributed nature of this market, the numbers are small enough that rounding to the nearest thousand would render them absurd, hence the reference to "relative frequency."

Of course, clients of the Barrett Group receive far more granular research support, for example, at the initial industry or geographic screening stage, in-depth company snapshots when preparing for interviews, and even profiles of hiring managers as may be required to prepare for offer negotiations.

Per Chart 5, Meta has hired mainly from competitors in the past twelve months, including Microsoft, Google, Amazon (AWS), and TikTok, but also from banks and, intriguingly, the US Department of Justice. This latter emphasis is hardly surprising when we look at the specializations of the executive staff at Meta which heavily favor litigation, law, legal writing, legal research, intellectual property, and corporate law—the top six skills listed by their executives. Ireland saw the highest percentage of executive hires at this company (+47%), but San Francisco, New York, London, Washington DC, Los Angeles and Singapore comprise their top six hiring locations.

Google's executive team did not grow very much in the most recent period, but the company still hired executive talent from Meta, Microsoft, and American Express as well as apparently transferring individuals from Mandiant (now part of Google Cloud) and YouTube. Hiring focused on Online Advertising, Strategic Partnerships, E-commerce, Analytics, and Cloud Computing. Sao Paulo apparently had the highest percentage growth (+42%) followed by Toronto (+21%), Seattle (+13%), Chicago (+5%), Ireland (+4%), and Singapore (+3%).

Accenture Song grew mainly via internal transfers from other parts of Accenture and prior acquisitions (Fjord, for example). Analytics, Management Consulting, Customer Experience, CRM, Digital Media, Digital Marketing and related fields comprised their principal areas of growth, specifically in Atlanta (+100%), Chicago and Copenhagen (+40%), Sydney (+33%), and Sao Paulo and Milan (+13%).

Publicis Groupe may be more representative of what we think of as an ad agency though here too transformation is in full swing. Their hiring focused on Digitas North America, MediaCom, and a broad array of smaller, specialist firms. Mobile marketing, Online Advertising, Digital Media, and Digital Marketing seem to have been their talent acquisition focus, specifically in New York, Hong Kong, Mumbai, London, and The Randstad. In contrast, their executive teams in Paris, Chicago, Shanghai, and Singapore all shrank.

In fact, MediaCom (-26%) contributed executive talent to competitors in many of the specializations highlighted above though most of the reduction is apparently an internal move to their affiliate EssenceMediacom. Their executive teams in New York, London, Düsseldorf, Warsaw, and Mumbai are the most affected.

VMLY&R on the other hand continued to grow, adding talent from Red Fuse Communications, FCB Health, TBWA\Istanbul, WPP and a range of other industry sources. Creative Strategy, Marketing Communications, and Online Advertising seem to have been their principal targets as far as specializations are concerned while their ranks grew in Chicago, Miami, Kansas City, and New York in the US and Sydney, Istanbul, Warsaw and Johannesburg internationally.

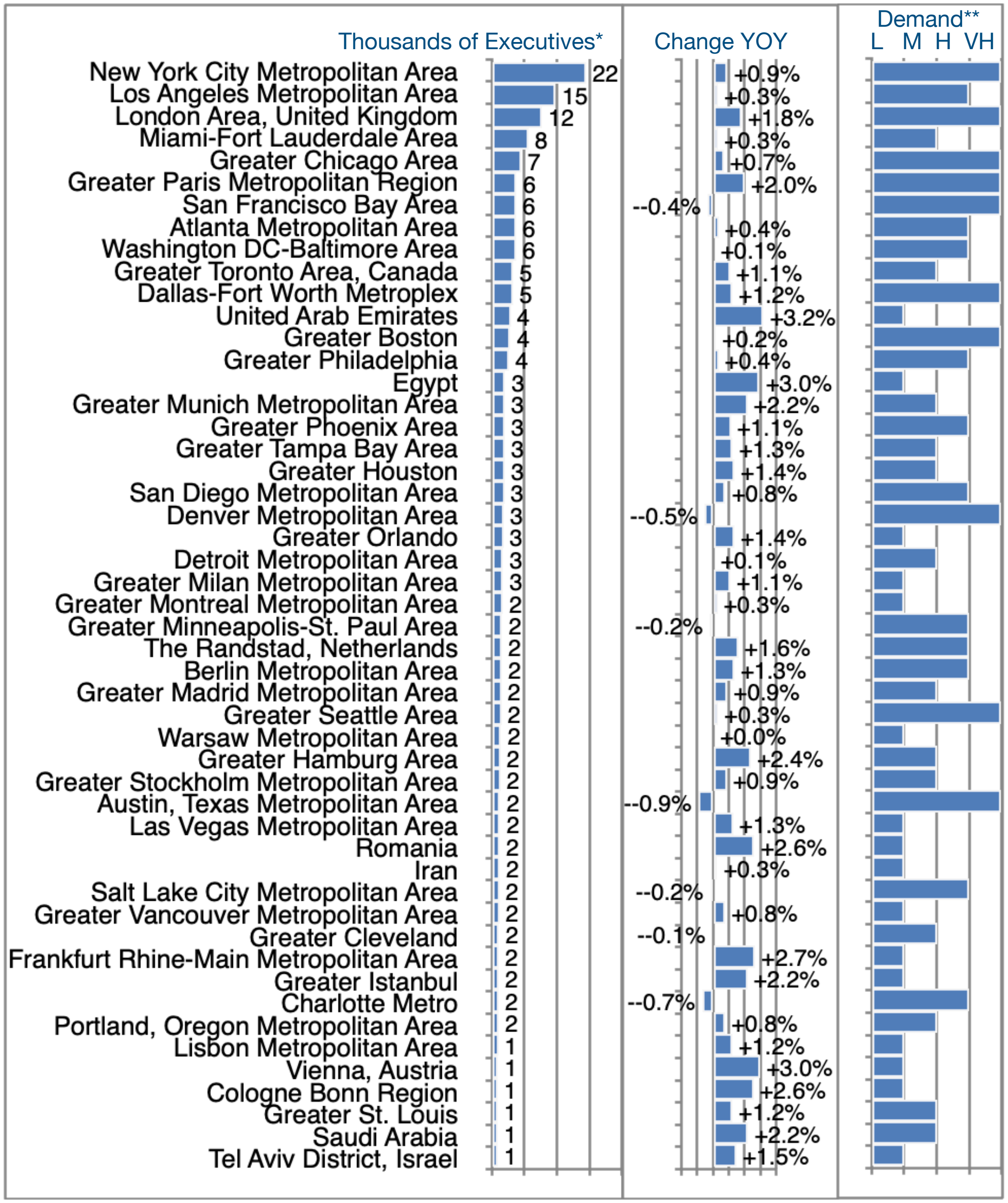
Mindshare's executive team declined somewhat with departures for GroupM and Amazon. Sydney and Paris showed growth but other markets such as New York, London, Chicago, Singapore, Frankfurt and Shanghai all showed significant attrition.

Researching M&A activity in this field is truly a labor of love because there is a more or less constant fluctuation as agencies acquire, spin off, merge or downsize in the on-going experiment we all know as the Marketing and Advertising industry. Apparently we should expect more of the same going forward due to a number of developments that are driving this high rate of activity including:

- geopolitical realignment between China and the West,
- widespread (marketing) re-skilling requirements,
- the impact of AI,
- the imperative of agencies having enough scale to survive,
- client business and brand portfolio simplification,
- a new crop of incoming CEOs demanding change, and
- a log jam of pent-up M&A activity due to Covid and other factors that are now no longer impediments. [See Source.]

INDUSTRY UPDATE: Marketing & Advertising

Chart 6: Executive Locations



As usual, New York stands at the top of the list. Horizon Media, Google and Meta ranks as the largest employers of execs in this area based in New York. We have already addressed the latter two in this Update. Horizon Media remains independent while providing the following services: “We provide a full service digital offering for our clients and have specialized units for search marketing, digital strategy, display, social, mobile, AR/VR/MR, campaign management and analytics, technology strategy, and a dedicated division for creative media solutions.” [See Source.] Their overall ranks grew by 5% in the past year while the executive suite did not.

In London, Meta and Google appear again in the top three along with Accenture Song—all of whom have already been addressed in this Update. Paris offers new contestants: Omawo (UK, a specialist in online marketing for business website owners), BETC (France, an agency emphasizing brand communication) and Publicis Groupe (France, per their LinkedIn profile: “Publicis Groupe is the second largest communications group in the world and a leader in marketing, communication, and digital business transformation…”).

Beyond the percentage change also note LinkedIn’s rating of the hiring demand in each market in the right-hand column of Chart 6. As usual, it is possible that negative growth coincides with high hiring demand—see Denver for example. SRG (a “strategic growth consultancy”), Booyah Advertising (an independent, full service ad agency), and Core Consulting (Mexico, a “Licensing & Brand Management agency focused on maximizing the potential of consumer products in America”) reign as the largest employers in this sector although only Booyah seems to be growing its executive ranks significantly in the most recent period (+40% YOY).

Austin is also showing negative growth (-0.9%) while experiencing high demand. Meta has added 16% to its ranks in that location but others are relatively stable at the moment with a few notable declines in service organizations providing copywriting and marketing insights. San Francisco is similar, also in that Meta shows executive growth while many others do not.

Leisure, Travel, Hospitality & Restaurants

INDUSTRY UPDATE: Leisure, Travel, Hospitality & Restaurants

Introduction

We bundle Leisure, Tourism, Travel, Hospitality and Food into one macro-category because there is significant overlap and transfer of executives between these related activities. Clearly, these industries suffered during the Covid-19 lock-downs and have taken some time to recover, but that recovery is now well underway. For example, international visitors to the US were up 128% in 2022 vs. 2021. These travel and tourism "exports" had a volume of $164.5 billion and a total value of $1.7 billion in that same year, providing some 7.4 million jobs in the US. [See Source.]

Overall, international tourism seems to have reached about 80% of the pre-pandemic volume in the first quarter of 2023, with some 235 million passengers traveling internationally—double the value for the first quarter of 2022. The Middle East actually exceeded 2019's (pre-pandemic) first quarter results, Europe achieved 90%, and the Americas, 85%. [See Source.]

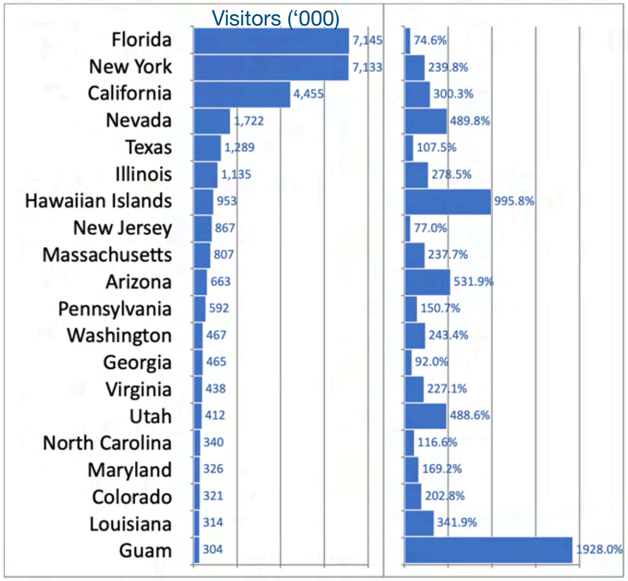
Domestic air travel in the US also picked up in the first quarter of 2023, reaching circa 608,000 flights in March, up 29,000 versus March 2022. [See Source.] Overall, sentiment in the air travel industry has turned relatively upbeat. During April 2023, for example, European carriers saw traffic increase 22.6% versus prior year, Middle Eastern carriers, 38%, and North American carriers, 34.8%. [See Source.]

Florida and California also demonstrated increased appeal and, along with New York, topped the ranking of destinations in the US (see Chart 1 and see Source.) for many reasons including attractions such as the Disney theme parks which themselves buoyed otherwise downbeat results for the company as a whole: "Disney recorded $2.65 billion in one-time charges and impairments, dragging the company to a rare quarterly net loss. One bright spot for the company was its parks, experiences and products division, which saw a 13% increase in revenue to $8.3 billion during the quarter." [See Source.]

Switching over to the hotel sector, we understand that there is also significant improvement:

"In early April 2020, more than three quarters of U.S. hotel rooms stood empty […] Nearly three years later, U.S. hotel occupancy has almost recovered and is expected to continue its upward trajectory in the year ahead. Average U.S. hotel occupancy is projected to reach 63.8% in 2023 – just shy of 2019's level (65.9%) and a significant improvement over 2020's historic annual low (43.9%)." [See Source.]

Chart 1: International Tourist Destinations in the US (States)



Europe also shows positive signs, with occupancy rates and revenue per room night increasing steadily throughout 2022 and year to date 2023. [See Source.] Gateway cities play an outsized role in this travel as destinations and luxury hotels seem to be outperforming economy establishments so far in 2023. The industry publication *Hotel News Resource*, put it this way: "Travel is back!" [See Source.] Even the rating agencies are turning more bullish. Fitch Ratings, for example, recently upgraded its view of the whole sector: "The performance of European lodging operators will continue to improve in 2023, supported by a rebound in travel due to pent-up demand, while restructuring and cost-cutting measures implemented during the pandemic and increased rates largely offset cost inflation […]" [See Source.] Certainly the regrettable wildfires in Italy and Greece may have an as yet unknown impact on this data. We will have to keep an eye on this sector with this in mind.

The Middle East is clearly planning to grow in hotels, too.

INDUSTRY UPDATE: Leisure, Travel, Hospitality & Restaurants

"Lodging Econometrics' forecast for new hotel openings in 2023 is 123 new hotels with 30,113 rooms while 116 new hotels and 29,085 rooms are forecast to open in 2024." [See Source.] Saudi Arabia, the UAE, and Egypt ranked the top three in this evaluation of new hotel capacity.

Restaurants are also recovering but face other challenges. While business has returned almost to normal in the US according to the National Restaurant Association and is forecasting almost $1 trillion in sales this year, the sector struggles to find enough qualified workers now that it has again surpassed pre-pandemic levels of employment (15.5 million), and that means costs are rising, not only for labor, but also for ingredients as inflation bites. [See Source.]

One source reports that "the EU food and drink industry employs 4.6 million people, generates a turnover of €1.1 trillion and €230 billion in value added, making it one of the largest manufacturing industries in the EU." [See Source.] Along with the challenge to find enough qualified employees, the "war against Ukraine is also predicted to drive a dietary shift due to affordability, with the majority of European consumers saying the conflict has had negative impacts on the price of food,…" particularly meat. This source suggests that this may accelerate adoption of plant-based alternatives to meat due to economic pressures. [See Source.]

While fine dining and other sectors flourish or dwindle depending on local conditions and the skill of their operators, one specific subsector in the industry seems bound for growth regardless, both in the US and Europe: "The global fast food market is projected to grow from USD 972.74 billion in 2021 to USD 1,467.04 billion by 2028 at a CAGR of 6.05% during forecast period." [See Source.]

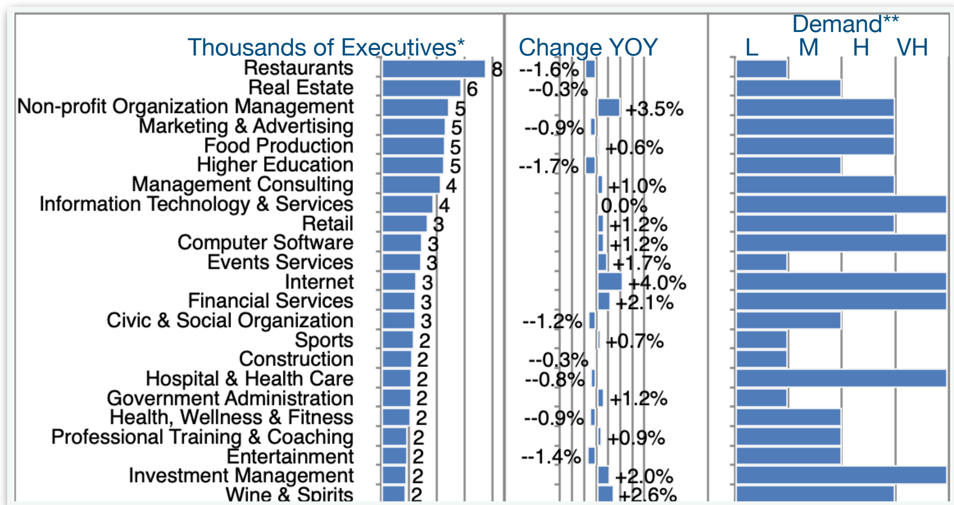
In the Middle East, penetration of out of home dining is still relatively low, and therefore the "market in 2022 was valued at US$44.80 billion." However, the "market value is expected to grow at a CAGR of 10.66% during the forecast period of 2023-2028, with full-service restaurants (FSR) and casual dining segment being the dominant segment owing to rising consumer's disposable income." [See Source.]

All in all, the forecast of this industry is one of continued recovery and growth. Let us now turn our attention to the many talented executives who will make this happen.

The Market for Executives

Some 283,000 executives as we define them (see Editor's Note) are active in these sectors, up a barely detectable +0.2% over prior year, but 8,000 or so changed jobs, too, so the total "churn" is almost 3%. The US and Canada numbered 140,000 in this cohort, the EU and UK, 123,000, and the Middle East, 20,000, this latter market displaying slightly higher growth of 0.5% YOY. Overall, the median tenure in these positions is about 3.3 years, and the cohort is 29% female.

Chart 2: Executives' Industries



*Rounded to nearest thousand. **Low, Moderate, High, and Very High hiring demand per LinkedIn

Of the top six employing industries in this sector (Chart 2), four show shrinkage in the executive ranks and only one of those shows a high hiring demand, so overall, it is fair to say that this is not a buoyant

INDUSTRY UPDATE: Leisure, Travel, Hospitality & Restaurants

cohort. In the US, Restaurants performance had a strong pick-up post-Covid-19 but since then have declined according to the National Restaurant Association's Performance Index [See Source.] As noted in the Introduction, fast food as a category and certain chains are defying this trend.

Real Estate is always sensitive to interest rate increases, and commercial real estate has been particularly vulnerable in recent years in part because of the prevalence of remote work. At least in the US, "As a result, most commercial real estate sectors continue to experience slower rent growth and higher vacancy rates compared to the previous year." [See Source.]

There are, of course, still some areas that are growing above average or showing a higher hiring demand, or both, notably Non-profit Organization Management (+3.5% and high hiring demand), Internet (+4% and very high hiring demand), and Investment Management (+2.6% and very high hiring demand).

Other industries exhibit negative growth but strong hiring demand, such as Hospital & Health Care, presumably because employers simply struggle to find qualified and interested executive personnel. Overall, this macrocategory of industries represents a prime opportunity for executives to transfer into some of the high hiring demand verticals or out of some of the apparently declining areas.

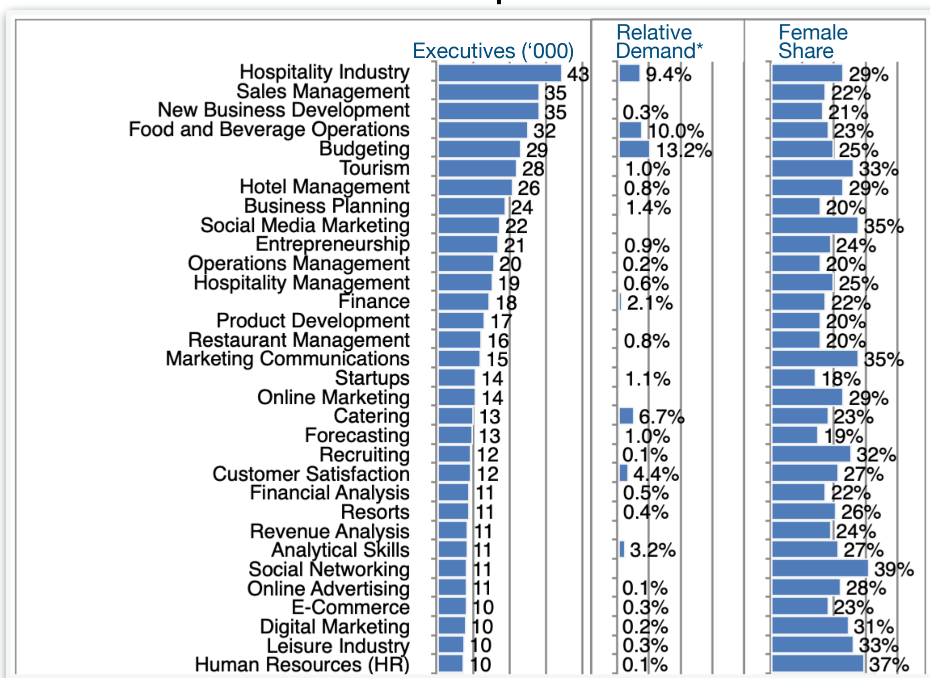
Editor's Note:

In this particular Update "executives" will generally refer to the Vice President, Senior Vice President, Chief Operating Officer, Chief Financial Officer, Managing Director, Chief Executive Officer, Chief Marketing Officer, Chief Information Officer, Managing Partner, General Counsel, Head, and President titles principally located in the US, Canada, Europe, the UK, and/or the Middle East. Unless otherwise noted, the data in this Update will largely come from LinkedIn and represents a snapshot of the market as it was at the time of the research. Is LinkedIn truly representative? Here's a little data: LinkedIn has more than 900 million users. (See Source) It is by far the largest and most robust business database in the world, now in its 20th year. LinkedIn Talent Insights data is derived by aggregating profile data voluntarily submitted by LinkedIn members. As such, LinkedIn cannot guarantee the accuracy of LinkedIn Talent Insights data.

A key challenge for many executives remains imagining in the first place where else they might be happier, earn more, and/or have more career opportunities, because transferability is not widely understood—except at the Barrett Group where our process routinely assesses options for executives to consider alternative career tracks. [Read More.]

Executive on LinkedIn usually indicate one or more primary area of specialization. These are summarized for this cohort in Chart 3. As usual, some are highly specific to this overall industry grouping, such as Hospitality or Food and Beverage Operations but many more are somewhat generic (e.g., Sales Management or New Business Develop-

Chart 3: Executives' Specializations



*Share of all want ads posted per LinkedIn.

ment and could most likely be transferred to other industries with relative ease.

The “Relative Demand” column shows the share of all want ads placed for each specialization per LinkedIn and serves as a relative measure of the extent to which employers sought specialists, however, we should point out that most executive positions in our experience are in fact never advertised. That is why most Barrett Group clients land through the unpublished market where there is generally less competition and higher compensation.

Also in Chart 3 readers will find a high-level summary of which specializations are more or less populated by female executives. Social Networking (39% female), Human Resources (37%), Marketing Communications (35%), and Social Media Marketing (35%) rank the highest on this parameter. The Barrett Group sees a continuous improvement in the female executive share across most industries, so please do not see this necessarily as a limitation, but rather as an opportunity to move the needle.

Per Chart 4, there is plenty of room to move that needle, too, as we see only the Chief Marketing Officer title coming in at 40% female, followed by Vice President (36%) and Head (35%). Also, the ratio of top management (CEO, President, Managing Director) to middle management and the relative paucity of CFOs suggest that this is a relatively unconcentrated group of industries with only modest opportunity in the middle ranks. In fact, the top 50 (Chart 5) employers in this cohort represent just 1.6% of the total number of executives—further evidence of the industry’s unconsolidated nature.

Chart 4: Executive Titles

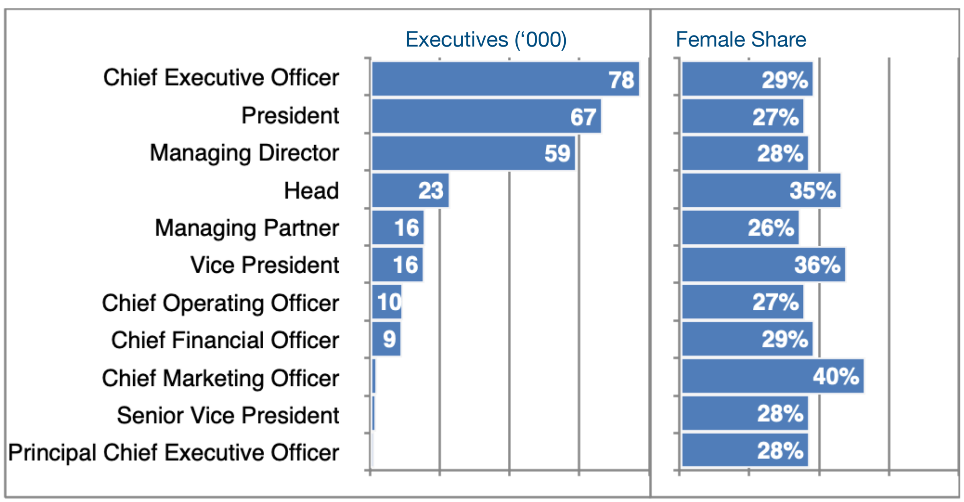
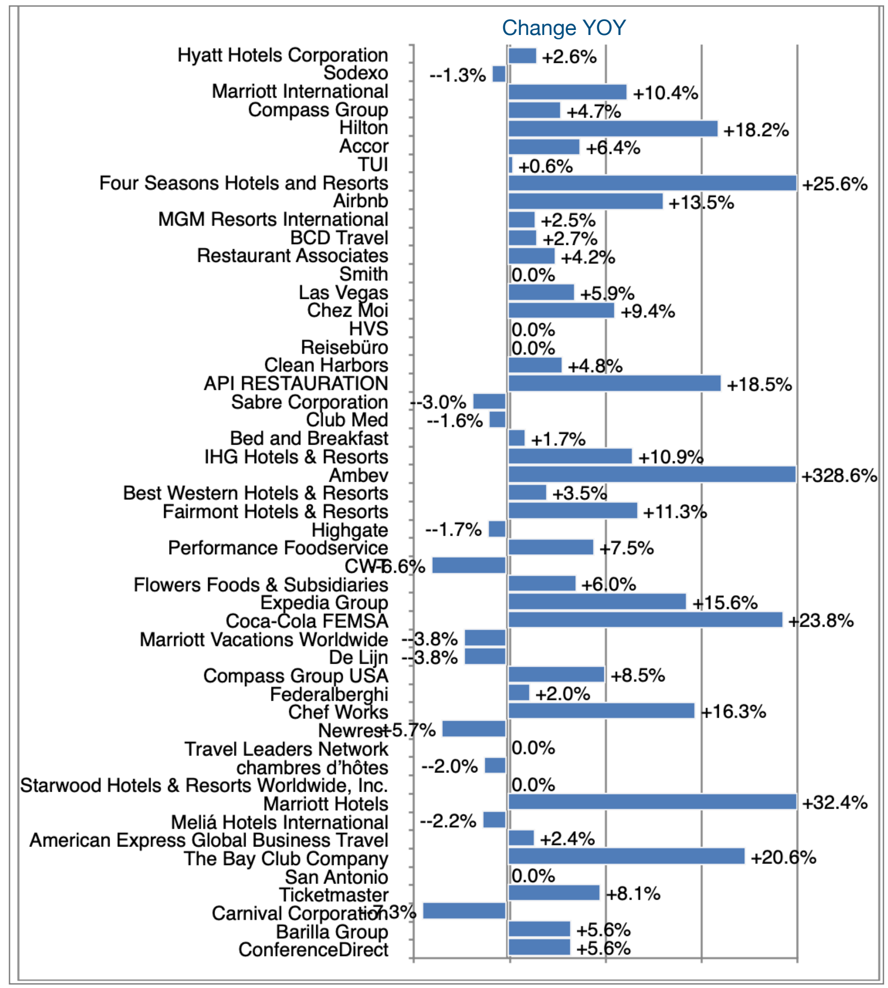


Chart 5: Executive Employers



INDUSTRY UPDATE: Leisure, Travel, Hospitality & Restaurants

Ambev (+328.6%) grew the fastest on this list, so let's start with them. Apparently most of their executive growth was in Spain, Romania, and the UAE. In the US, the controversial advertising campaign featuring a transgender TikTok influencer cost Bud Light its market leadership position, but the company's stock is being upgraded to "buy" as we go to press.

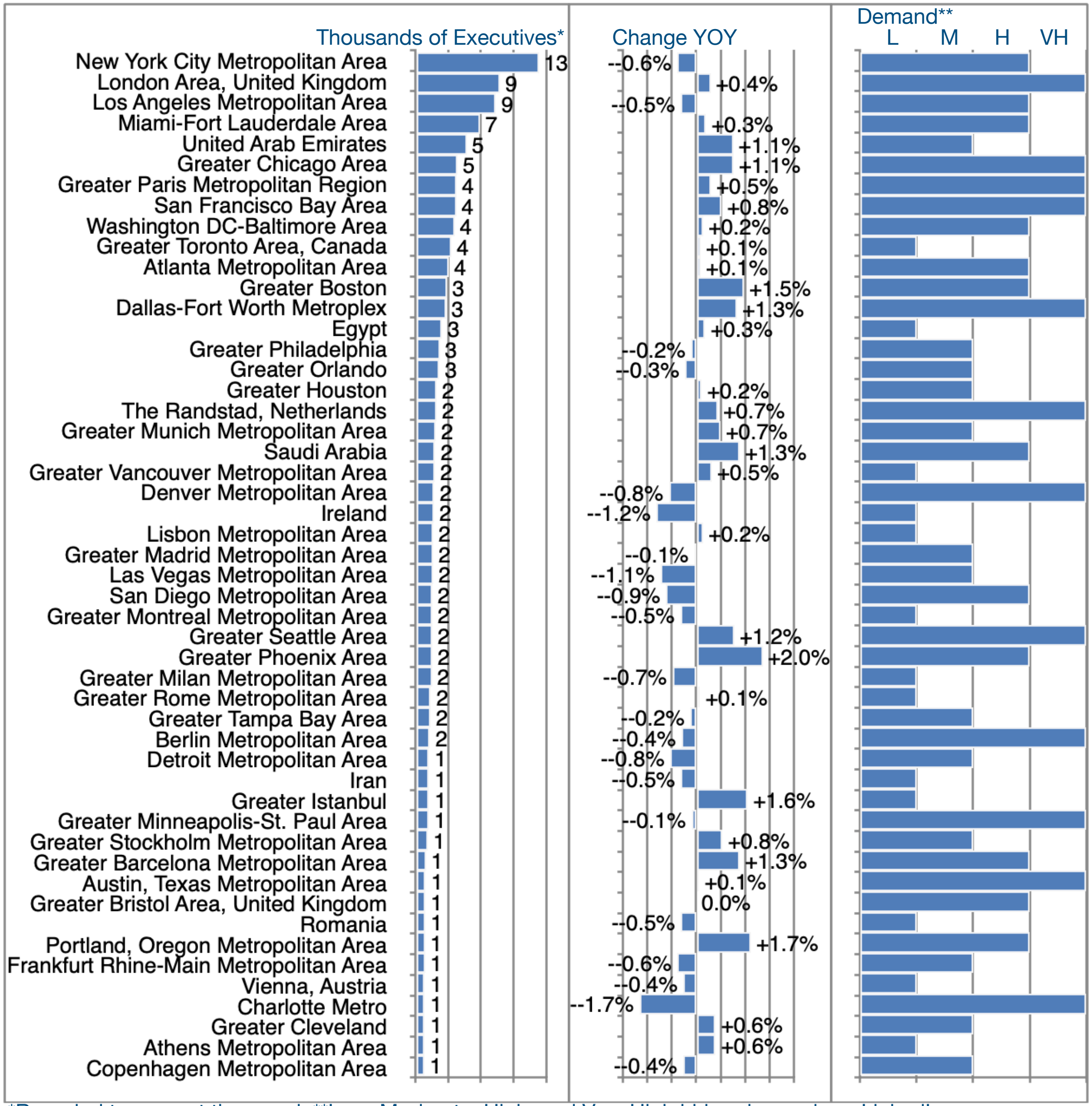
Marriott (+32.4%) in the hotel sector also added significantly according to LinkedIn, adding executives in Washington, DC, Egypt and Los Angeles among other locations. Their target skill sets appear to have been quite broad, encompassing Hospitality, Leisure, Travel & Tourism, Advertising & Marketing, Management Consulting, and even Aerospace.

Four Seasons Hotels and Resorts (+25.6%) also added execs, growing mainly in Los Angeles and to a lesser extent in London. Their Finance and Business Development disciplines received the most reinforcement, mainly at the Vice President level as well as newly minted divisional CEOs and Heads.

Coca-Cola Femsa (+23.8%), the largest bottler in the brand's system, naturally grew mainly in its home region (Latin America) but also added executive depth in Paris, Atlanta, Toronto, and Madrid. Finance and Sales Management attracted the most attention, while analytical skills including Budgeting and Forecasting ranked highly as well.

Diversified leisure activity purveyor The Bay Club Company (+20.6%) added executives, too, mainly in San Francisco and Los Angeles, acquiring them from competitors such as 24 Hour Fitness, but also from adjacent companies such as Athleta. Hiring focused on specializations in Sports and Personal Training.

Chart 6: Executive Locations



*Rounded to nearest thousand. **Low, Moderate, High, and Very High hiring demand per LinkedIn

INDUSTRY UPDATE: Leisure, Travel, Hospitality & Restaurants

The French cooking specialist API-Restauration (+18.5%) selected candidates from the Culinary Arts, Food Safety, Food Preparation, and Client Relations specializations, adding them in Paris, Lille, and Lyon. The Managing Director and Head titles grew the most.

Naturally, Barrett Group clients have access to far more detailed information, whether at the initial screening stage, advanced selection step, or when preparing for a specific interview. Providing our clients with the best available research remains a key part of our five-step career change process.

Chart 6 examines where executives are based, although, of course, these days they may well be working remotely as well. Year on year growth is important, but the Hiring Demand may be an even more reliable indicator of near-term executive opportunity, generated as it is by LinkedIn's algorithms.

New York usually comes out on top in these updates and this industry is no different. Tzell Travel Group (specialist in corporate travel), Tacombi (Mexican food purveyor), New York Tourism and Conventions (nonprofit regional authority) represent the largest employers of executives in this location.

London comes next in the ranking. Sodexo (food service operator), innocent drinks (beverage manufacturer and marketer), the Ritz (hotel operator) rank in the top tier of executive employers in London in this industry. In Los Angeles, hotels rule: Hyatt, Four Seasons, and Carlson are the top three. Carnival Corporation and Norwegian Cruise Line Holdings (cruise lines) as well as The Palm Beaches (tourist marketing nonprofit) change it up a little as the top players in Miami.

Jumeirah Hotels & Resorts, Accor, and Marriott International lead the pack in the UAE, all of them in the hotel segment. In Chicago, Hyatt Hotels Corporation (hotels and resorts), Tropicana Brands (branded juice manufacturer and marketer), and Treehouse Foods (private label food manufacturer) top the list of employers of executives.

In Paris, Accor (hotels), Sodexo (food service), and Club Med (hotels and resorts) prevail as the top three. San Francisco boasts The Bay Club Company (sports), Airbnb (short term vacation rentals), and Cake 4Kids (nonprofit) among their top employers of execs in this segment.

Tourism and the Environment

In a stunningly detailed document, the US Federal Aviation Administration (FAA) lays out a forecast for "enplanements" (essentially airline passengers) that foresees a growth from 738 million in 2022 (up from 460 million in 2021 post-Covid) to 1.364 billion in 2043—an 85% increase. [See Source.] Beyond that, the FAA forecasts enormous complexity and growth in manned and unmanned flights for logistic purposes (delivery), passengers ("air-taxi"), drones, and even recreational, private flying vehicles (flying cars?). In any case, it appears that the skies will be very busy over the coming decades.

All of this means more CO2. "In 2022 aviation accounted for 2% of global energy-related CO2 emissions, having grown faster in recent decades than rail, road or shipping. […] aviation emissions in 2022 reached almost 800 Mt CO2, about 80% of the pre-pandemic level." "CO2 emissions are expected to grow rapidly and to surpass their 2019 level around 2025." "Multiple measures are required to promote the technologies, sustainable aviation fuels (SAF) and demand-side management needed to bring the currently rising emissions level below 1 000 Mt CO2 by 2030, in line with the NZE Scenario." [See Source.]

In other words, improvements in operating efficiency, new fuels including "e-fuels" and hydrogen, and electric airplanes will all need to come together to reduce aviation emissions. And CO2 is not the only issue: "Contrails — those narrow, white clouds that trace an airplane's path through the sky — trap heat in the atmosphere, much like in a greenhouse, greatly amplifying the impact of flying on the world's climate. Recent studies have shown that contrails are around 1.7 times more damaging than CO2 emissions, when it comes to global warming." [See Source.]

Alternatively, you could choose a different method of travel: in the US, "… a plane gets 43 miles per gallon [mpg] per person; this is less efficient than trains or cars, which get 51 mpg and 53 mpg per person, respectively. Interurban buses are, by far, the most efficient at 152 mpg per individual." Of course, in Europe, trains are an even more efficient method of travel as far as emissions are concerned. [See Source.]

Some advocate reducing air travel, or indeed all travel, because allegedly "One return flight from Montreal to London emits as much carbon emissions as heating a European home for an entire year." "If the aviation sector were a nation, it would be among the top 10 global emitters." [See Source.]

Clearly, humanity must put more thought into balancing this equation.

A World of Executive Opportunity

INDUSTRY UPDATE: A World of Executive Opportunity

Introduction

In fact, The Barrett Group principally covers the three regional markets noted below with some exceptions, but there is truly a world of executive opportunity out there if you know where to look. More than 450,000 executive positions were filled in the past year in these markets. To be sure, the rates of growth and change vary considerably, and that is exactly why we publish this Update now.

Macroeconomically, the US exhibits positive data: GDP up 2.4% in Q2 reflecting "…increases in consumer spending, nonresidential fixed investment, state and local government spending, private inventory investment, and federal government spending that were partly offset by decreases in exports and residential fixed investment." [See Source.] Personal income rose by $236 billion vs. the first quarter, disposable income increased by $248 billion, and personal savings also added almost $20 billion to reach $869 billion in Q2. Overall, the economy may well avoid a recession, in spite of rising interest rates and wages, coupled

with persistently low unemployment.

Canada has a different dynamic: “Real GDP growth will decline to 1.4% in 2023. Higher borrowing costs will weigh on activity. Lower commodity prices have unwound last year’s terms of trade gains. Demand will strengthen through 2024, but annual output growth will remain below the economy’s long-run potential rate at 1.4%. Exports will benefit from improved global conditions, while immigration boosts private spending and labour supply. Price pressures will ebb as the jobless rate rises from recent lows.” [See Source.]

In the UK, GDP growth is still muted at an expected 1%. Wages have grown by about 4%, but disposable income has shrunk in the latest data [see Source], and inflation remains stubbornly high. As a result, the “…Bank of England raised interest rates to 5.25% on Thursday 3 August, up from 5%. It’s the 14th consecutive rise since December 2021, when Bank Rate stood at just 0.1% and puts Bank Rate at its highest level since 2008.” [See Source.]

In the EU, headline inflation is expected to decrease from an average of 5.4% in 2023 toward 2.2% in 2025. GDP is expected to decelerate to 0.9% in 2023 before picking up speed in 2024 and 2025. “As inflation falls, household income recovers and foreign demand strengthens, real GDP growth will pick up in the coming quarters.” [See Source.] Employment remains tight. “Growth in compensation per employee is projected to decline from 5.3% in 2023 to 4.5% in 2024 and 3.9% in 2025, with wage increases expected to be well above historical averages in both the public and private sectors.” [See Source.]

So this slice of the world presents a mixed picture—even more complicated, of course, at the country or local level—however, on balance, the macroeconomy is a far cry from the disastrous outlook predicted by some in late 2022.

Let us now turn to the market for executives.

Chart 1: Top 25 Industries Employing Executives

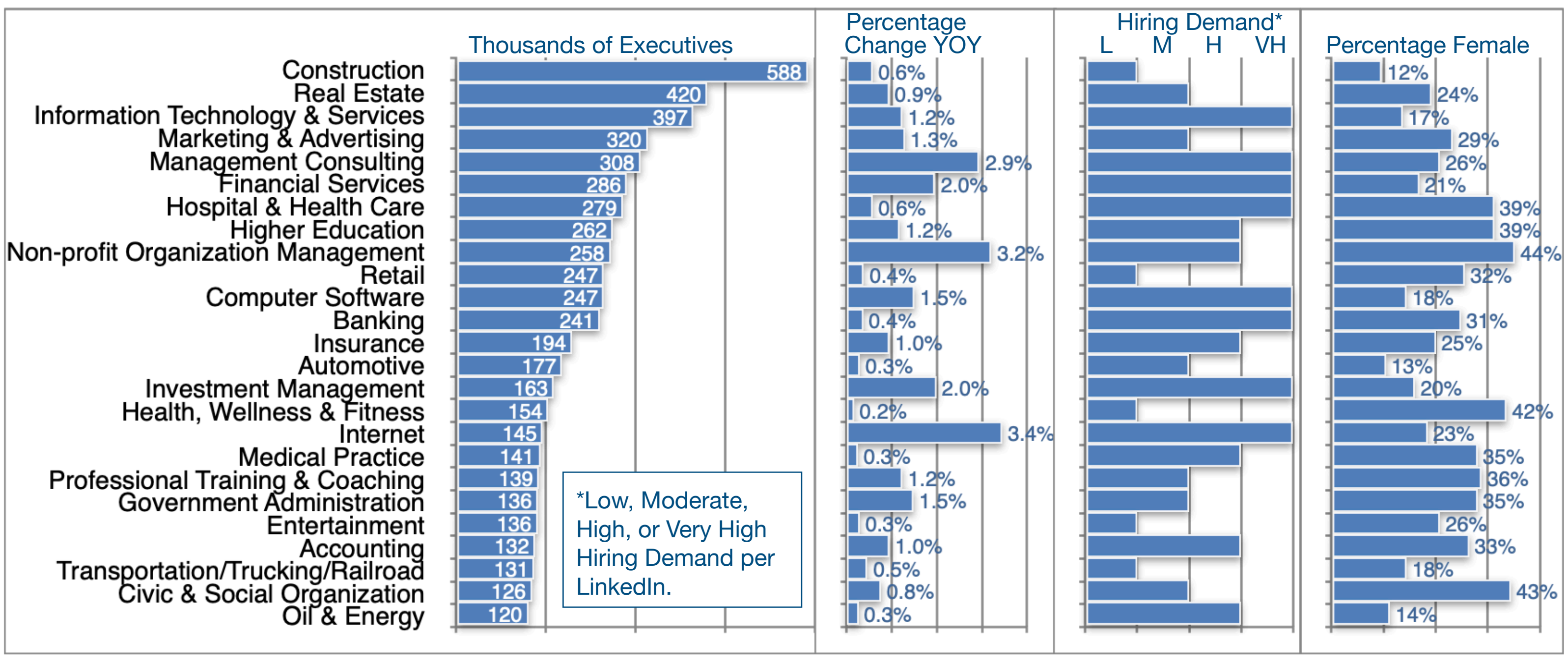
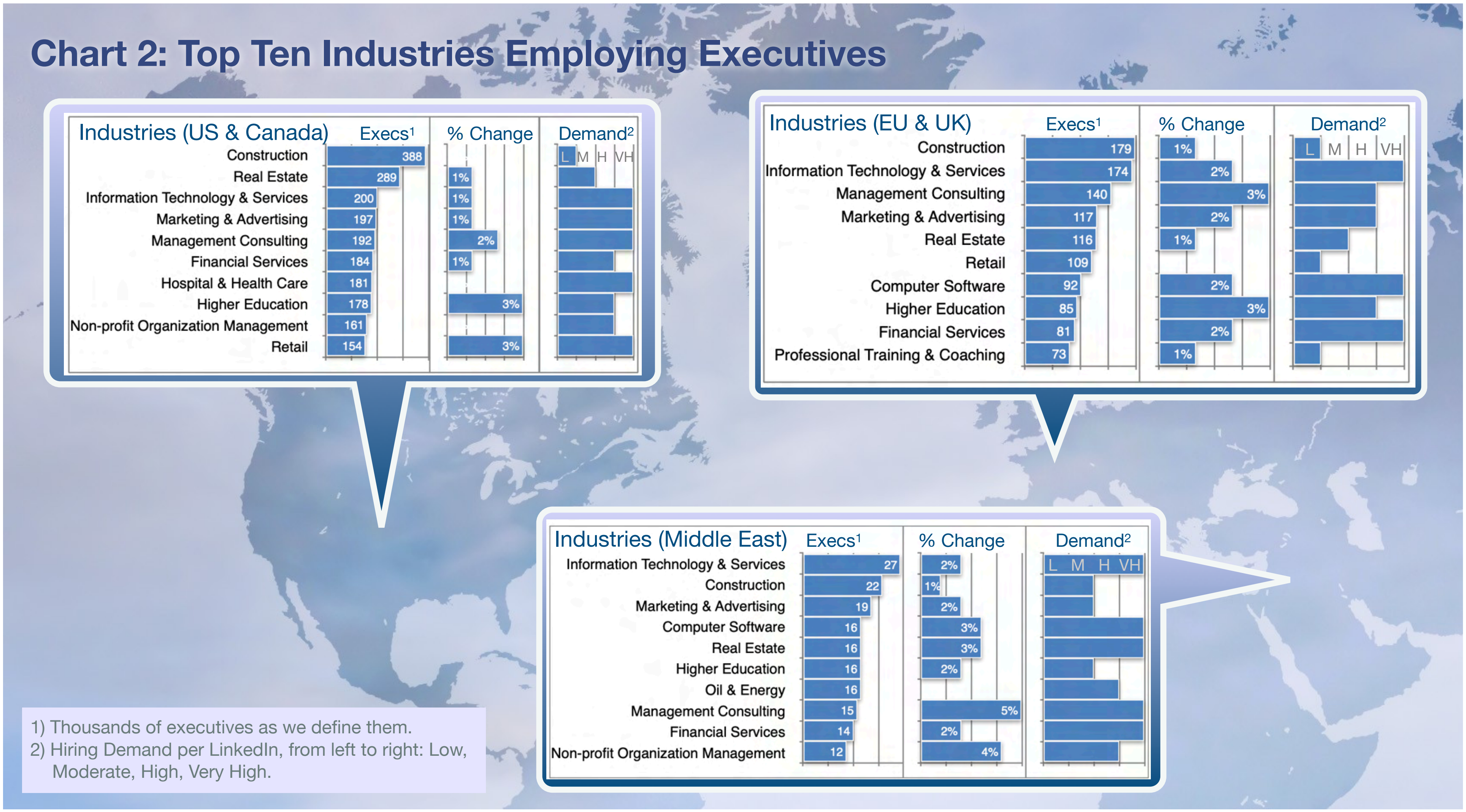


Chart 1 presents the top 25 industries employing executives whereby the strongest YOY growth is evident in the Internet, Non-profit Organization Management, and Management Consulting areas that also show high or very high hiring demand. The Non-profit segment also demonstrates a very high share of female executives as do Civic & Social Organization, and Health, Wellness & Fitness.

INDUSTRY UPDATE: A World of Executive Opportunity

Chart 2 provides an overview of the relative importance of different industries as employers of executives in three major geographic regions. For executives desirous of finding a new role, Demand[2] may be the most important indicator of all, as it reflects the near-term desire of employers to find executives in that segment.

In that context, Information Technology & Services occupies the unique position of exhibiting very high demand in all three regions. In the US & Canada, Retail demonstrates both high growth and very high demand whereas Hospital & Health Care show only very high demand with no growth, indicating the relative difficulty of finding relevant executives in the latter segment. By contrast, Retail seems to be flagging in the EU & UK with neither growth nor demand. Perhaps some execs in that sector might want to contemplate a change of industry.



INDUSTRY UPDATE: A World of Executive Opportunity

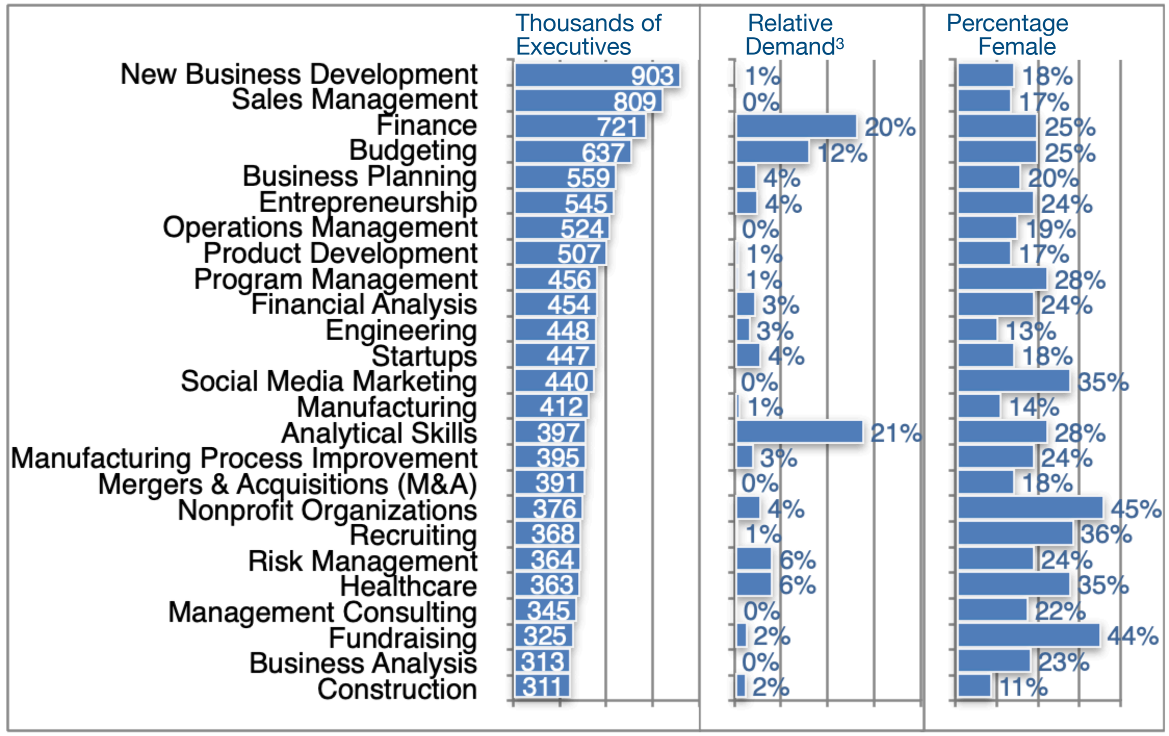
Chart 3 reviews executives' stated specializations. Typically New Business Development and Sales Management come out high on this list, as is the case here, too, however, the relative demand for these skills appears weak at the moment. On the other hand, these two are among the most transferable of skills from one industry to another, as are Finance and Budgeting, that both appear to also be in relatively high demand. Analytical Skills also stand out in the relative demand dimension while also being highly transferable.

The Barrett Group helps clients cope when they see the need to change industries, roles, or, indeed, locations—or when they are forced to make a change due to unexpected interruptions in their careers. Our initial "targeting step" (the Clarity Program©) guarantees that clients do not simply rinse and repeat their previous career experiences without at least considering and quite often redirecting their professional trajectories toward an alternative career path.

Here is how one landed client summarized his Clarity experience: "Engaging The Barrett Group has been well worth it. I wanted to find the exact job I wanted but I didn't even know what the exact job might be. I certainly never considered that it would be in a completely different industry!" said Kia. "How much you put behind your slogan 'We are here to help' is not just lip service – the value you give back to clients is probably more than clients anticipate they will get." [Kia Banisadre, Read More.

Female executives also feature in Chart 3 in Non-profit Organizations but also in

Chart 3: Top 25 Executive Specializations



3) Relative Demand in this analysis represents the percentage of all LinkedIn want ads published within this cohort according to LinkedIn and therefore does not include the unpublished market.

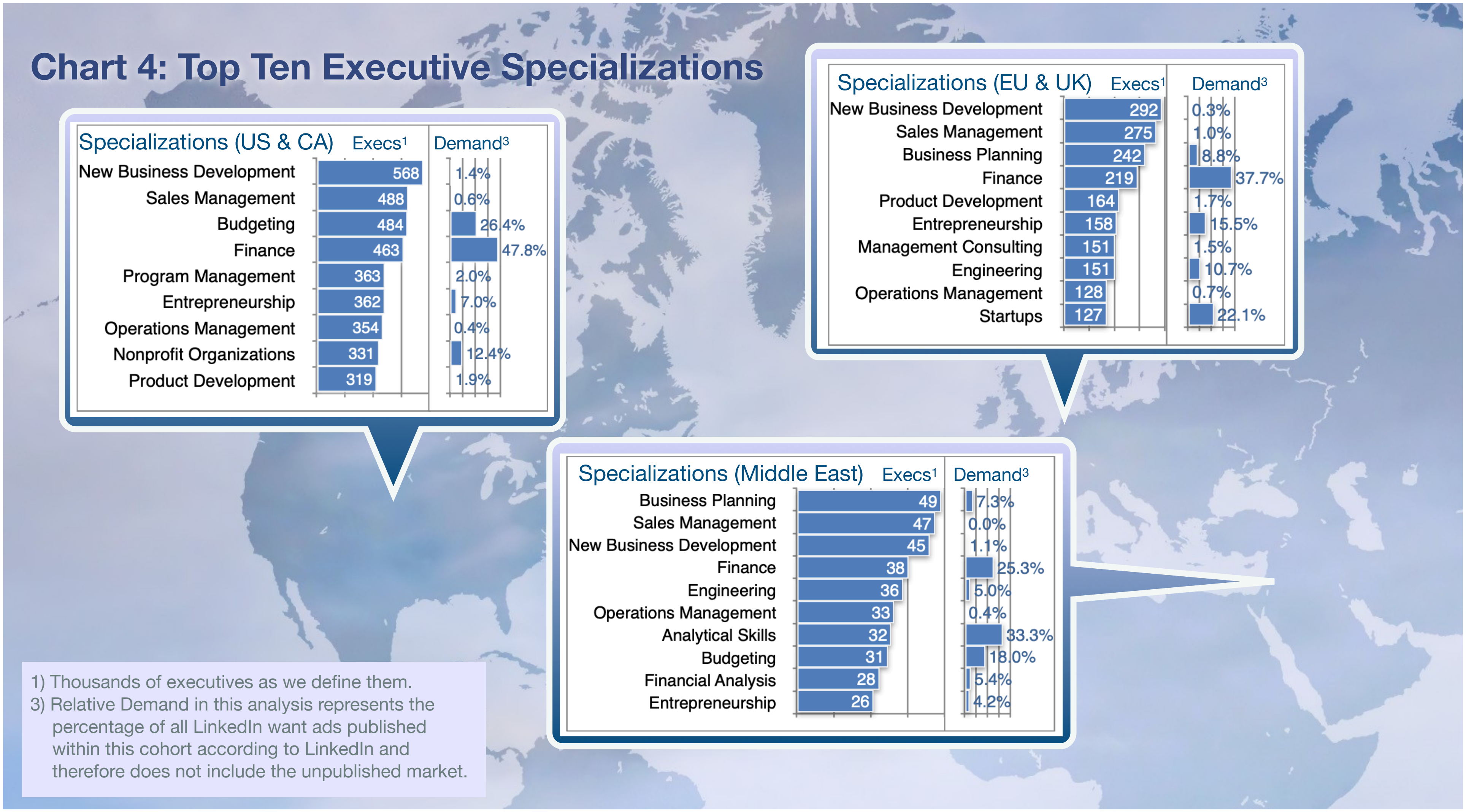
Editor's Note:

In this particular Update "executives" will generally refer to the Vice President, Senior Vice President, Chief Operating Officer, Chief Financial Officer, Managing Director, Chief Executive Officer, Chief Marketing Officer, Chief Information Officer, Managing Partner, General Counsel, Head, and President titles principally located in the US, Canada, Europe, the UK, and/or the Middle East. Unless otherwise noted, the data in this Update will largely come from LinkedIn and represents a snapshot of the market as it was at the time of the research. Is LinkedIn truly representative? Here's a little data: LinkedIn has more than 900 million users. (See Source) It is by far the largest and most robust business database in the world, now in its 20th year. LinkedIn Talent Insights data is derived by aggregating profile data voluntarily submitted by LinkedIn members. As such, LinkedIn cannot guarantee the accuracy of LinkedIn Talent Insights data.

INDUSTRY UPDATE: A World of Executive Opportunity

Fundraising, Recruiting, Social Media Marketing, and Healthcare. At the Barrett Group we see any specialization's lower female shares as opportunities for enterprising women to challenge the status quo—not accept it. [Read More.]

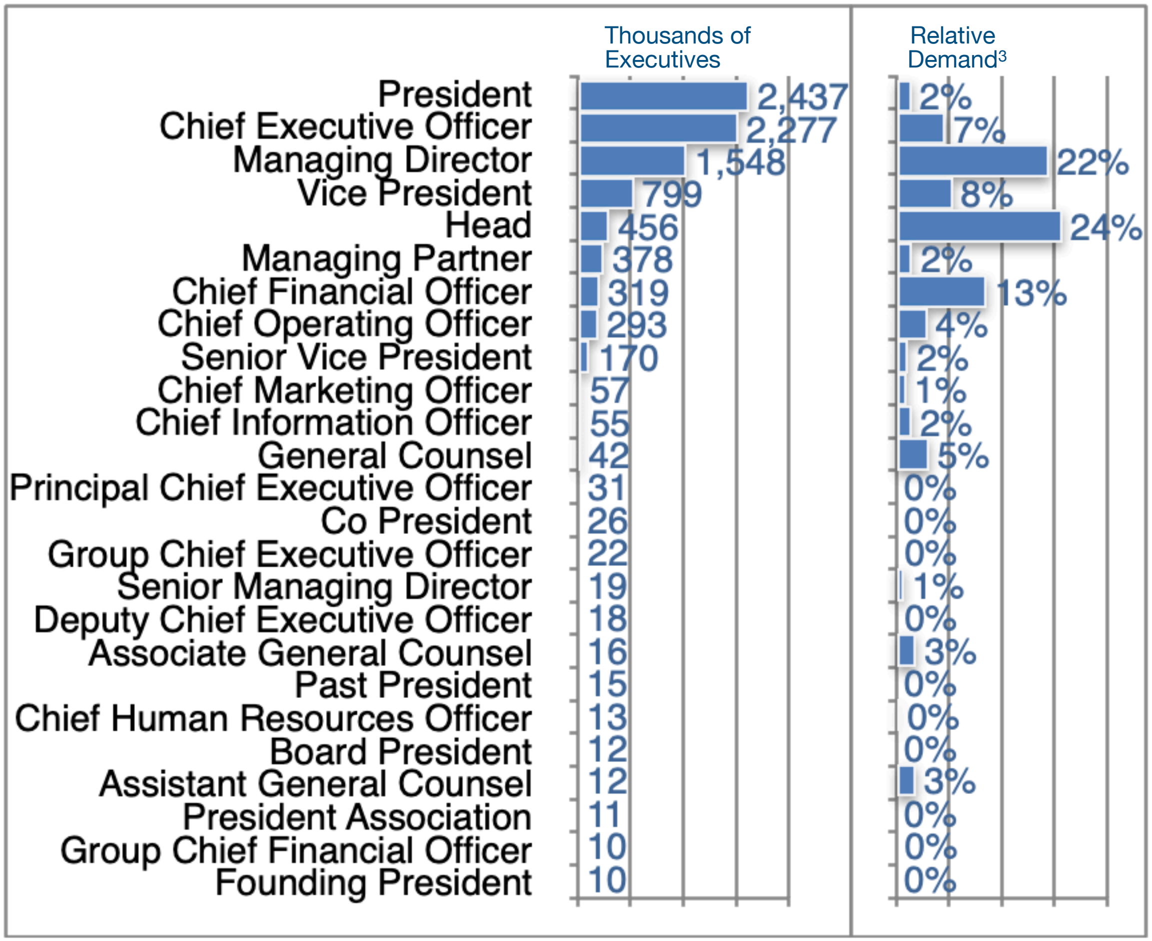
In Chart 4 we begin to examine the specializations at the regional level, noting that there is much similarity, but also there are some key differences such as the strong demand for Nonprofit Organizations experience in the US & Canada versus a need for Engineering in the EU & UK. Finance seems to be universally in strong demand, and Budgeting, too, at least in the US/Canada and Middle East. Analytical Skills really stand out, too, in the Middle East. Please note, as per footnote 3, the demand figures here cover only published want ads that typically represent just 15-25% of the market in our experience.



INDUSTRY UPDATE: A World of Executive Opportunity

The US economy comprises circa 33 million companies [see Source]. The EU, 30 million [See Source]. In the UK, there are more than 5 million private businesses [see Source]. Without going into the Middle East or Canada, we think readers will therefore understand why there are so many Presidents and CEOs in Chart 5: every company has a top position, but many do not have much of a second tier. In any case, across the cohort we are exploring, President and CEO were the most common titles, but there seems to be far more demand for the Managing Director and Head titles, followed by the CFO role. See charts 5A-C for regional variations in the top ten roles.

Chart 5: Executive Titles



3) Relative Demand in this analysis represents the percentage of all LinkedIn want ads published within this cohort according to LinkedIn and therefore does not include the unpublished market.

Chart 5A: Executive Titles (US & Canada)

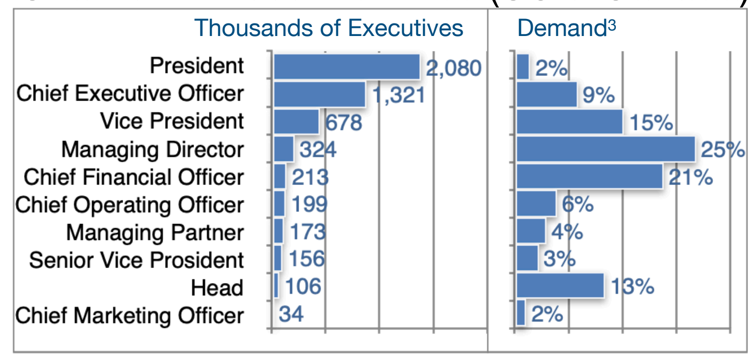


Chart 5B: Executive Titles (EU & UK)

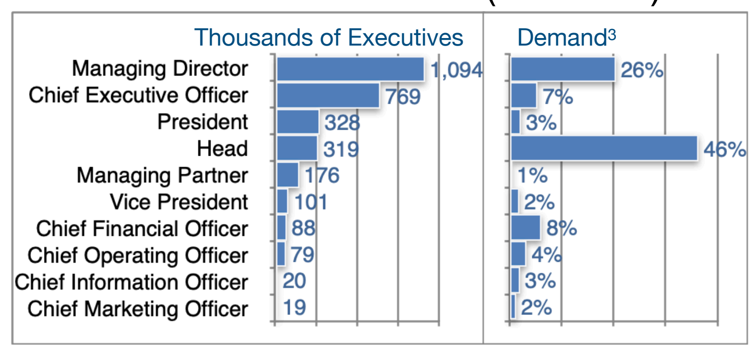


Chart 5C: Executive Titles (Middle East)

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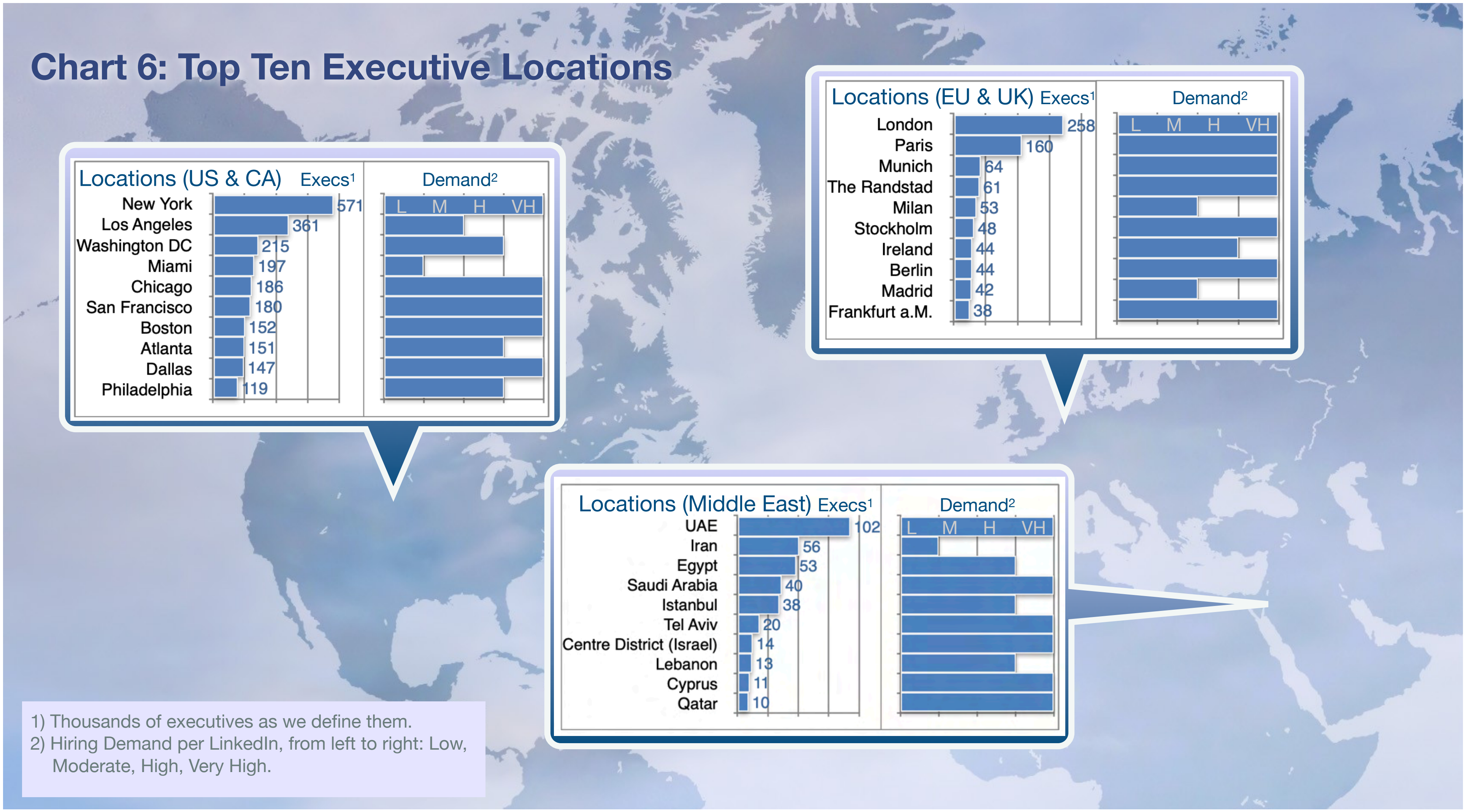
Generally, demand for executives is local, in spite of the increased incidence of remote work since 2020. Therefore, Chart 6 looks at the top ten locations for executives in our three macro-regions. The percentage change alone simply does not tell us very much except that Istanbul (+2.5%), the UAE (+2.4%) and Saudi Arabia (+2.1%) have grown the fastest of any of these locations YOY, followed by Paris, London, and Frankfurt (all at +1.8%) and Munich (+1.7%).

Toronto manages 1.2%, but regional growth in the US is generally in the 0-1% range and hardly deserves our attention. However, the hiring demand as forecast by LinkedIn looks far more interesting—see the charts below.

Remember, clients of the Barrett Group have access to significantly more detailed data at multiple stages during their career changes.



Information Technology

INDUSTRY UPDATE: Information Technology

Introduction

Before we look at this industry in detail let us first rise to the 30,000 foot altitude and look at the landscape for a moment. Many sources offer such perspectives, but one interesting source took the abstraction to an unusual level by focusing mainly on emotional motivation. Paraphrasing this source:

- Turmoil and insecurity are the new norm, but most people will adapt and find ways to cope.
- In an unstable world, many people will seek security by joining communities (either physical or virtual) linked by affinities and offering economic and/or emotional benefits.
- Where we work will continue to evolve and so far a stampede back to the office seems unlikely.
- In fact, working virtually may well slowly evolve into also living virtually in some form of metaverse at least part of the time and artificial intelligence (AI) may accelerate this process.
- This quasi-virtual life will be further facilitated by the expansion of digital wallets not only as payment devices but also as repositories of identify, serving the purpose today fulfilled by a passport or driver's license. [See Source]

This need to insulate from insecurity, find community, create safe, comfortable, interesting spaces, and fortify them with cyber defenses seems likely to pervade the coming years for both consumers and businesses.

Underpinning these developments is the steady march of technology driving economics. [See Source.] Labor remains in short supply, so the demand for digitization, automation, and robotics (including drones) will continue to expand. This means that certain skills and whole industries will eventually be replaced by machines and algorithms, however, technology typically also breeds new opportunities for which employees will need to be re-skilled. Digitization means that the value of data increases constantly as it can be tapped more efficiently to improve decision making, so that data analysis as a skill set already experiences hot demand across virtually all industries.

Should 3D printing become more cost-effective and versatile, whole manufacturing processes will no longer be needed, capital can be deployed in other ways and supply chains will be ruthlessly upended. Digital wallets will similarly affect the structure of the banking and payments industries as new intermediary roles will be created while others evaporate.

"Generative AI alone could increase global GDP by 7% in the next decade…" proclaims one source [See Source.] The same source continues, "As with any other paradigm shift, new opportunities and challenges abound. Though AI and other technologies are expected to create millions of new jobs, even more are at risk of being displaced—and roughly a quarter of companies are turning to AI to address labor shortages. Cybersecurity risks will only deepen with the deployment of generative AI, which could be harnessed by bad actors. New regulatory requirements are expected to pick up worldwide, too."

AI today already creates new jobs for "taggers" (people who help AI systems learn) but it also has the potential to eliminate many jobs in customer service as a tireless interface between a business and its clients, for example, as well as managing coding, writing, accounting, and countless other tasks. The "creative" potential of AI is hotly disputed at the moment as actors and artists protest what they see as the shameless exploitation and repurposing of their work. Nevertheless, many creative tasks have already been relegated to AI and many more will follow.

So what are the short term trends that we should be looking for in Information Technology?

Precipitated by the collapse of Silicon Valley Bank last year, funding has dried up considerably in the PE/VC space and therefore shorter term profitability and access to capital have suddenly come heavily into focus. [See Source.] The CFO role is most likely strengthened by this trend even in technology businesses as is the emphasis on data analysis and cost control.

The digitization of business is progressing. "According to Gartner, 91% of businesses are engaged in some form of digital initiative, and

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87% of senior business leaders say digitalization is a priority. [See Source.]

Cloud computing has also apparently already gained critical mass: "…94% of enterprises use cloud services. 67% of enterprise infrastructure is now cloud-based. 92% of businesses have a multi-cloud strategy in place or in the works." [See Source.]

Cybersecurity deserves new attention, too, as AI disrupts old arrangements and IT rediscovers the importance of having a human-centric security architecture in place. According to a senior analyst at Gartner, "CISOs must review past cybersecurity incidents to identify major sources of cybersecurity induced-friction and determine where they can ease the burden for employees through more human-centric controls…" [See Source.]

We mentioned the implications of digital wallets above, and Gen Z is having a profound effect (as did Covid-19 and remote working) on the adoption of digital payments. "As digital natives immersed in the latest technologies, there's also an expectation that every business they [Gen Z] buy from or work for takes a similar digital-first approach. This is an expectation that has carried over to payments, where digital wallets and instant transactions have become the norm." [See Source.]

Also in the payments and digital currency sphere, while crypto currencies had a rough ride in 2022 BitCoin and Ethereum are both well up in 2023, and even governments now seem to be preparing digital currencies of their own. In fact, allegedly, "…130 countries representing 98% of the global economy are now exploring digital versions of their currencies, with almost half in advanced development, pilot or launch stages." [See Source.]

Managing the HR function has also moved significantly into the digital age in recent years. "A human resources information system [HRIS] primarily functions as a central database for many of the administrative responsibilities of HR. That includes absence management, benefits administration, and compensation management." According to a recent "Human Resource Executive survey of 500 human resources (HR) professionals, respondents think that the most important workforce/HR technology they use is their HRIS (44%). That places it above even core HR technology, such as payroll, time, and attendance (42%)." [See Source.]

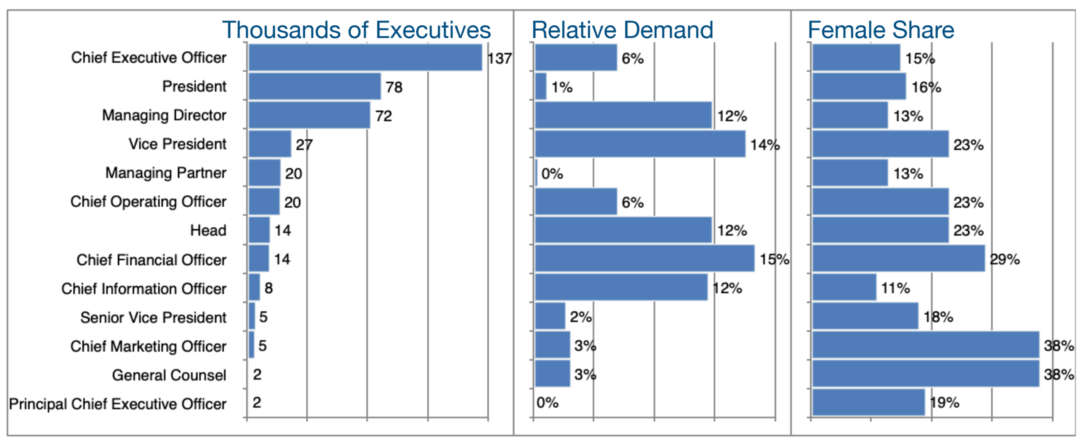
We could continue this list, but these highlighted trends in Information Technology probably suffice to get us started. Let us now turn our attention to the executives who bring these subjects to life.

The Market for Executives

Approximately 400,000 executives participate in this industry in our core geography according to our source (see Editor's Note) and 22,000 or so changed jobs in the past year. Overall the female executive share was just 17% with pockets of higher integration (See Chart 1). Approximately 198,000 of these positions are in the US and Canada, 175,000 in the EU and UK, and 27,000 in the Middle East with the latter two markets growing faster (+2% versus 1% in the US) but also less female at 15% and 13% versus 19% in the US and Canada.

Per Chart 1, the industry remains relatively unconcentrated, i.e., there are a lot of CEOs, indicating

Chart 1: Executive Titles



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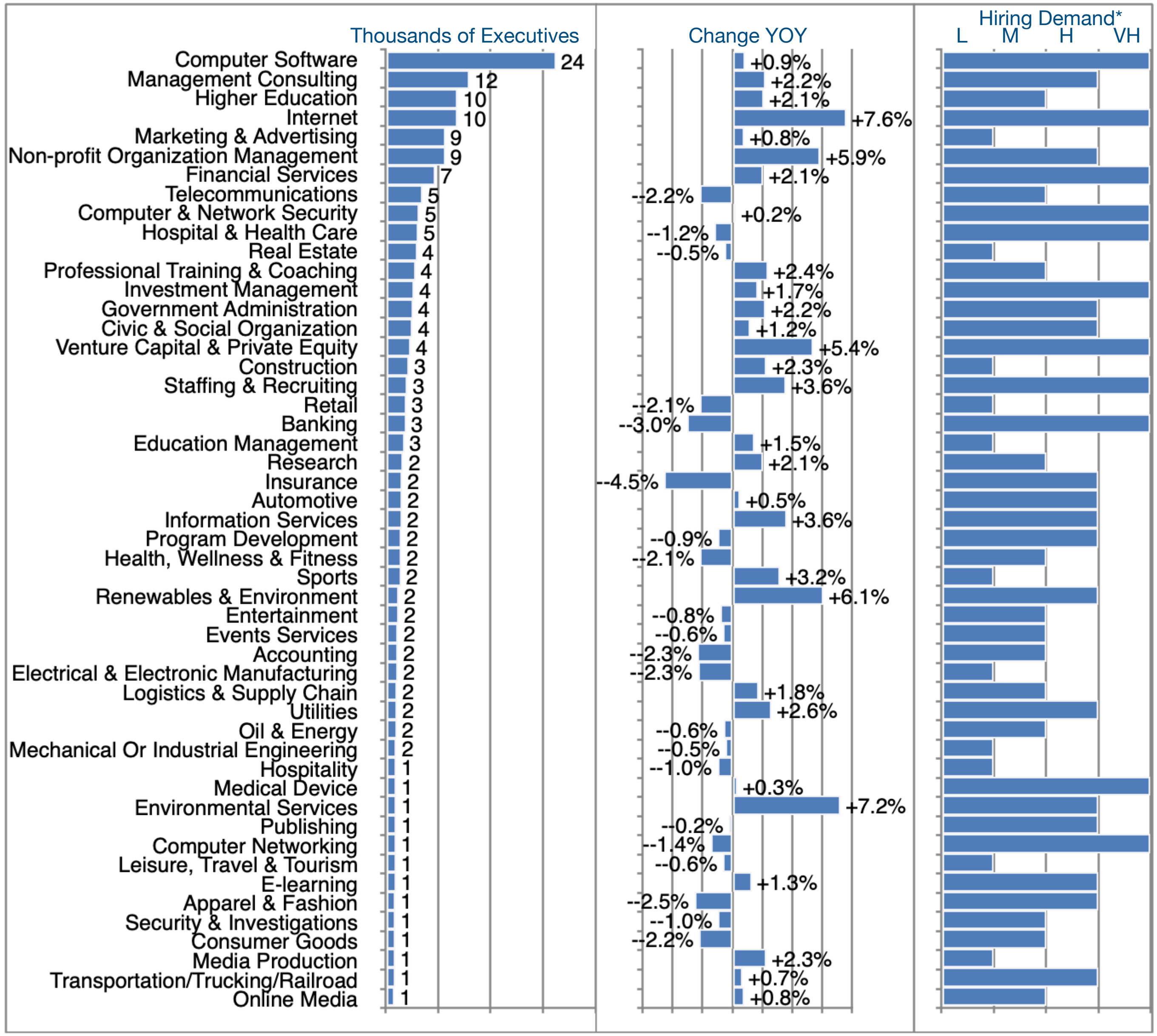
that there are numerous, smaller organizations in this list. While LinkedIn says that overall the hiring demand for Information Technology talent is "very high," the relative demand chart refers to the percentage of want ad listings per specific job title as a share of total want ads in the industry (on LinkedIn). Bearing in mind that most of the executive positions are never advertised, this data still provides a glimpse of the relatively strong demand for the CFO, CIO, VP, and MD titles as well as certain functional Head positions.

The gender share data bears out a pattern that we see in many industries, though not all, that female executives seem to populate certain positions more frequently. In this case, the CMO and GC roles as well as the CFO roles represent the highest shares of female executives.

Chart 2 dives into the specifics by industry as to IT executives' focus, and where the historical growth has been over the last year as well as where the current hiring demand is trending per LinkedIn.

Growth rates that stand out include Internet, Environmental Services, Renewables & Environment, Non-profit Organization Management, and Venture Capital & Private Equity. Numerous industries also show high hiring demand in the right hand chart, some because of growth and others

Chart 2: Executive Industries



*Low, Moderate, High, or Very High hiring demand per LinkedIn

INDUSTRY UPDATE: Information Technology

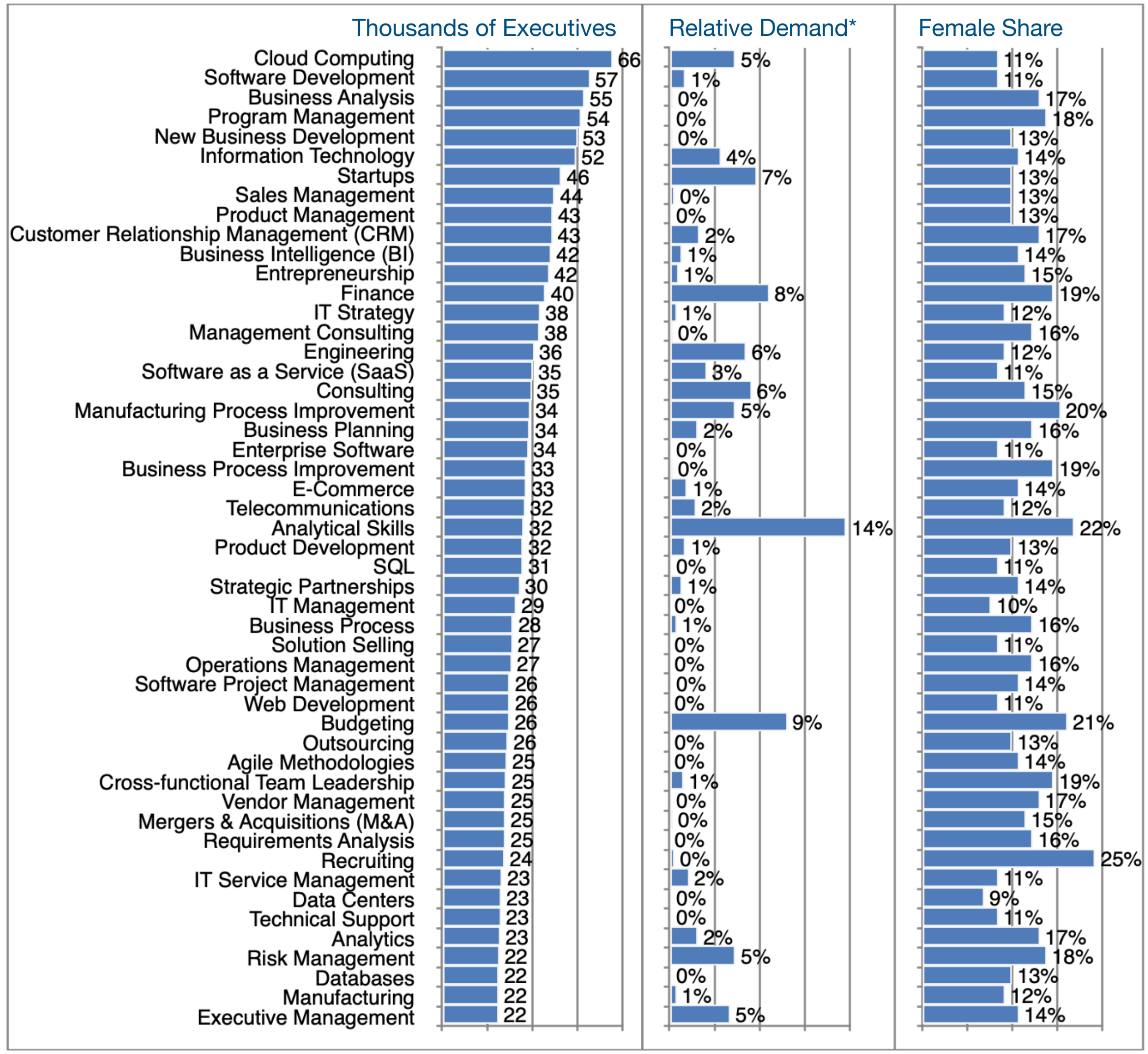
possibly due to a lack of supply. Take Computer Networking, for example. The specific segment shows negative growth (-1.4%) and yet very high hiring demand. This probably indicates that fewer IT executives are interested in entering this focus area for various reasons.

Chart 3 explores the skills or specializations of executives in this industry, their relative frequency, apparent demand, and the female share. Highly consistent with the trends cited in the Introduction, Cloud Computing has reached a fairly significant penetration but is still attracting significant relative demand as are Analytical Skills, Budgeting, Finance, and Startups.

Overall, the female executive share in this industry is rather low, with a few peaks in Recruiting, Analytical Skills, Budgeting, Manufacturing Process Improvement, Finance, Business Process Improvement, and Cross-functional Team Leadership. The Barrett Group believes that this in no way represents the best use of female executives' skills, but rather prevailing gender biases in staffing that, while in part cultural, are nevertheless slowly receding.

Where is artificial intelligence (AI) on this list, you might ask? It is apparently not yet sufficiently mainstream to make the top 50 specializations. LinkedIn reports about 12 thousand executives in the Information Technology industry who list AI as a specialization, up 2% over the past year, of which about 6% changed jobs in the past year. They work for IBM, GenPact, Tata Consultancy Services, Kyndryl, Tech Mahindra, Accenture, Virtusa, Samsung, and Dell (among others), principally in New York,

Chart 3: Executive Specializations



*Relative demand refers to the percentage of want ad listings per specific job title as a share of total want ads in the industry (on LinkedIn). Bearing in mind that most of the executive positions are never advertised, this data still provides a glimpse of the relatively strong demand for some specific specializations.

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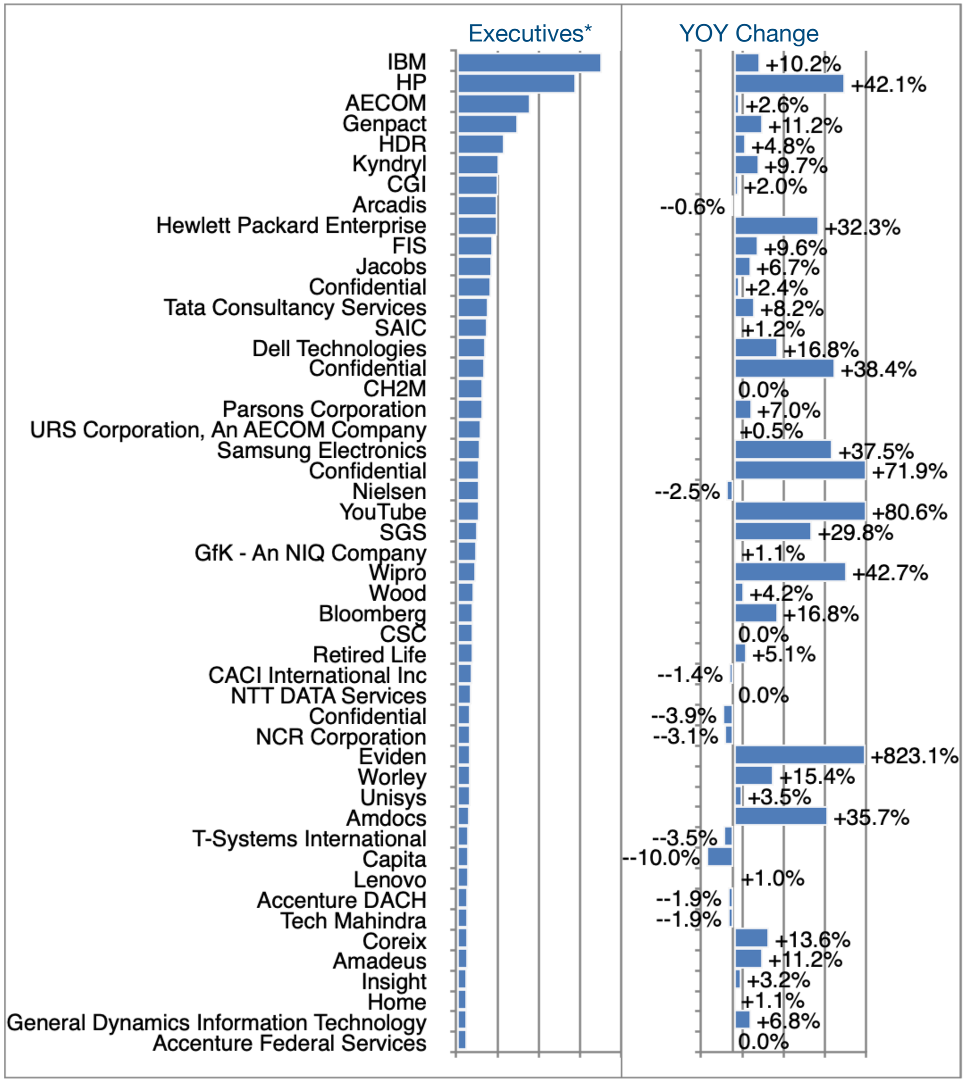
London, San Francisco, Washington DC, the UAE, Paris, Los Angeles, Toronto, The Randstad, and Boston (to name only the top ten locations).

Chart 4: Executive Employers



*These data sets are too small to be meaningfully differentiated at the nearest thousand, so we have showed their relative size without labeling them.

Chart 4 examines the top 50 companies employing the most executives in this industry. IBM has long been a behemoth in this segment, and seems now to be adding staff (not only execs) generally from Tata Consultancy Services (perhaps under their long-standing partnership currently focused on driving Cloud computing adoption), Accenture, Capgemini, Infosys, Cognizant, HCL Tech, and Wipro among others.

HP's massive growth comes from the acquisition of Poly in 2022, a specialist in workplace collaboration solutions. Farther down the list, Eviden's 823% growth comes more from a carve-out by Atos, creating a "services-oriented spinoff focused on digital transformation, big data and cybersecurity." [See Source.]

YouTube (a subsidiary of Alphabet) is driving more organic (+80.6%) growth and now claims more than 122 million viewers in 100 countries and 80 languages [see Source.] They have hired executives from a long list of competitors in the space during the last year.

Wipro has only a relatively small foothold in our target geography with most of their staff based in India, however, their operations in New York, London Saudi Arabia and other relevant locations justify their inclusion. They describe themselves as "a leading technology services and consulting company focused on building innovative solutions that address clients' most complex digital transformation needs." [See Source.]

Samsung Electronic's 37.5% growth is also nothing to sneeze at. They have acquired staff net of departures from LG Electronics, Huawei, Ericsson, Microsoft, and many other familiar names over the past year.

A less well known player has also grown significantly: Amdocs based in Missouri, USA says this about its business purpose: [we are here to] "accelerate our customers' migration to the cloud, differentiate in the 5G era, digitalize and automate their operations, and provide end users with the next-generation communication and media experiences…" [See Source.]

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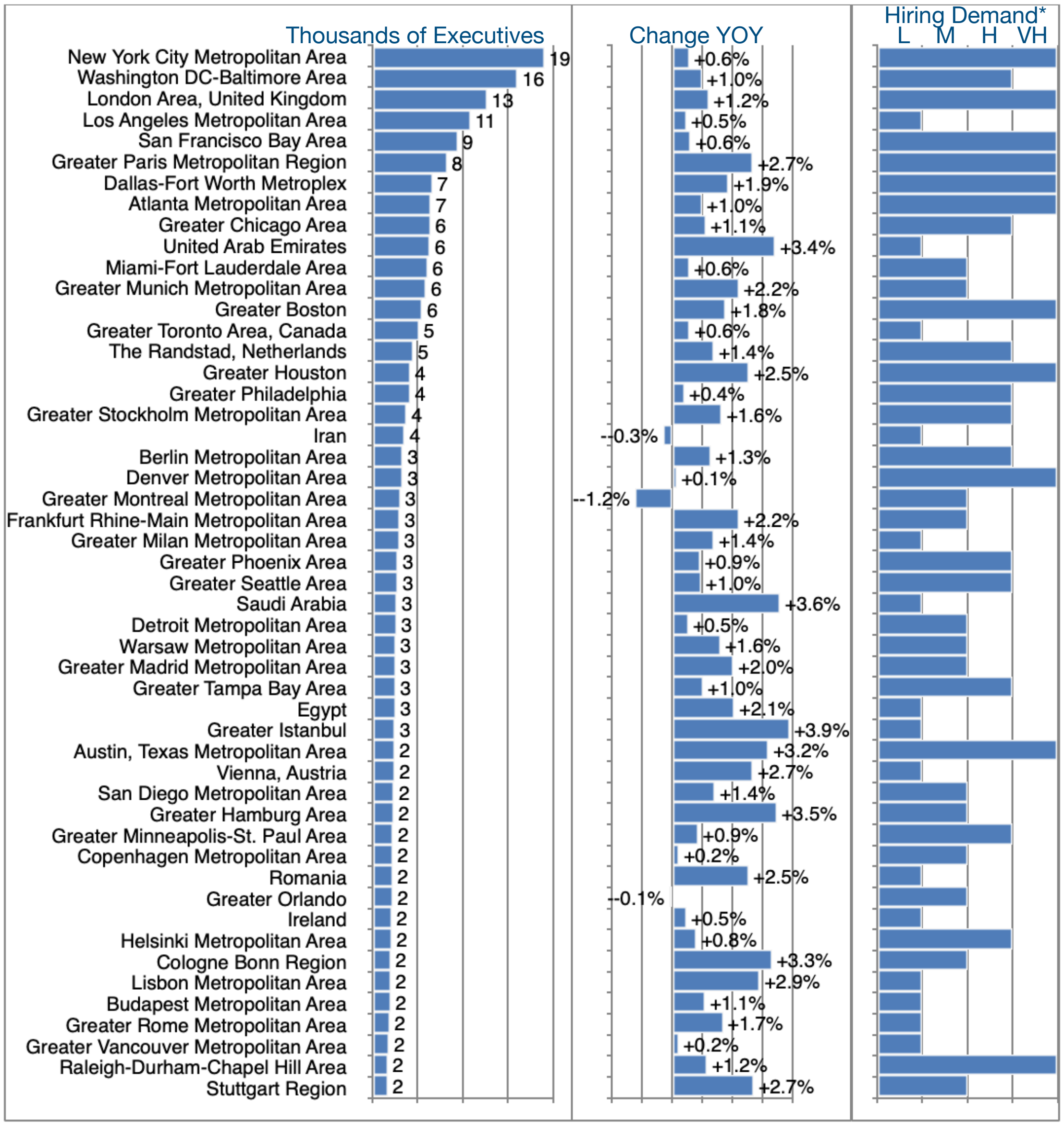
Chart 5: Executive Locations



*Low, Moderate, High, or Very High hiring demand per LinkedIn

Chart 5 reflects on the locations of Information Technology executives' employers. As usual, it is important to look at the historical growth, but perhaps even more important to keep the hiring demand in mind as an indicator of near-term activity.

In this context, many locations show high demand in the US with higher or lower historical growth including New York, Washington DC, San Francisco, etc. Europe and the Middle East, with the exception of London and Paris, reveal more moderate growth and demand statistics.

However, Information Technology & Services tops the Barrett Group's landed clients industry ranking again this year as of September 2023, so it seems that there is plenty of opportunity for enterprising executives with the right (including highly transferable) skills in this industry—almost regardless of location.

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Private Equity & Venture Capital

INDUSTRY UPDATE: Private Equity & Venture Capital

Introduction: Dry Powder and a few Questions

The last two years have been extremely strong in terms of fund raising for PE and VC firms. One measure had them sitting on as much as $1.4 trillion in fresh capital (dry powder) as of mid-year 2022 [see Source], funds they will need to deploy in the near term, either by take-privates of public companies, or investment into existing, typically private, companies.

Given the economic headwinds in Q4 of 2022, the question is, of course, where is the growth potential and therefore where to invest?

As we have pointed out elsewhere, some companies feel so bullish about the longer term that they see this slow down as an opportunity to invest and perhaps retool against their future strategy. Sunita Patel of Silicon Valley Bank says, for example, "A downturn can offer opportunities to build an even stronger team, focus on market needs and potentially create whole new categories. The 2007-2009 global downturn produced Airbnb and Uber." [See Source].

JP Morgan seems to be pursuing this logic by announcing its plans to hire 2,000 software engineers as it executes a strategic pivot toward digitization of business processes and other strategic initiatives. [See Source].

Other firms will doubtlessly also shift their strategy, rebalancing their investment portfolios away from inflation- or interest-rate-sensitive categories to asset classes likely to appreciate over time, e.g., real estate.

Much of the recent reporting on this sector focuses on a reduction in fund raising and on a decline in valuations. Both of these trends are very important, of course, for the PE/VC funds and their investors, but our focus is on executive opportunities, particularly at the portfolio company level. In this context, there is tremendous opportunity as we highlight in our recent blog Private Money In Your Future – Who's Who and What's What.

Sectors that are likely to benefit from an adverse economic climate include the banking sector, certain real estate segments, environmental services, alternative energy, and electric vehicles and infrastructure to name but a few. In that sense, the changes in the PE/VC companies we will see in this Update are informative as they reflect changes in the underlying strategy and therefore the sectors and portfolio companies these funds are investing in that will ultimately yield executive opportunity.

The data in this Update is naturally historical, so relying on it to make decisions about the future is akin to driving a car while looking in the rearview mirror. We always encourage executives to perform appropriate due diligence during any prospective career change. That is one reason that our clients have access to enormous data resources to make the most accurate decisions possible as they screen markets, select target companies, and then prepare for interviews.

Executive Employment in the PE/VC Industry

Last year we looked at a smaller set of titles that we have now augmented to reflect the broader PE/VC executive landscape (see Editor's Note). This expanded set of executives, combined with the strong growth in this sector mean that the entire population has grown by about 3% p.a. to about 313,000 with approximately 16,500 having changed jobs in the last year. Regionally, the EU/UK/Middle East (ME) cohort came in at circa 92,000 industry executives, 4,779 having changed jobs. In the US, the population grew similarly to about 221,000 with some 11,800 changing jobs in the last year.

This total population is largely male, ranging between 77% masculine (US) to 81% (EU/UK/ME) and the average tenure in these positions falls between 3.9 (EU/UK/ME) and 4.9 years (US).

Chart 1 explores the specific industries in which executives who claim affiliation with the PE/VC field work and it is no great surprise that the top five comprise about 77% of the first fifty total. They also have some of the lower to mid-level growth rates (2%-5.1%) in the list while Non-profit Organization Management and Civic and Social Organizations both come in above 10% growth p.a.—and also sport a higher than average female executive share between 28-31%. Separately, LinkedIn lists the following industries as all exhibiting "very high hiring demand":

INDUSTRY UPDATE: Private Equity & Venture

- Information Technology
- Computer Software
- Non-profit Organization Management
- Internet
- Hospitality & Healthcare
- Health, Wellness & Fitness
- Biotechnology
- Medical Device
- Computer & Network Security
- Research
- Pharmaceuticals
- Publishing

Chart 2 begins to explore the companies that employ these executives whereby, the top six in this case cover about 55% of the first fifty.

Of course, some of these leaders are now also leading the way in staff reductions as they shift their portfolios. For example, Citi has decided to trim its mortgage lending team:

"The bank funded $16 billion in residential mortgages from January to June, a decrease of 5.9% compared to the same period in 2021. Like Citi, other depositary banks are reducing their mortgage staffing levels. Wells Fargo, for example, will lay off 75 employees in its home lending division in Iowa by the end of October, according to Worker Adjustment and Retraining Notification (WARN) notices submitted to

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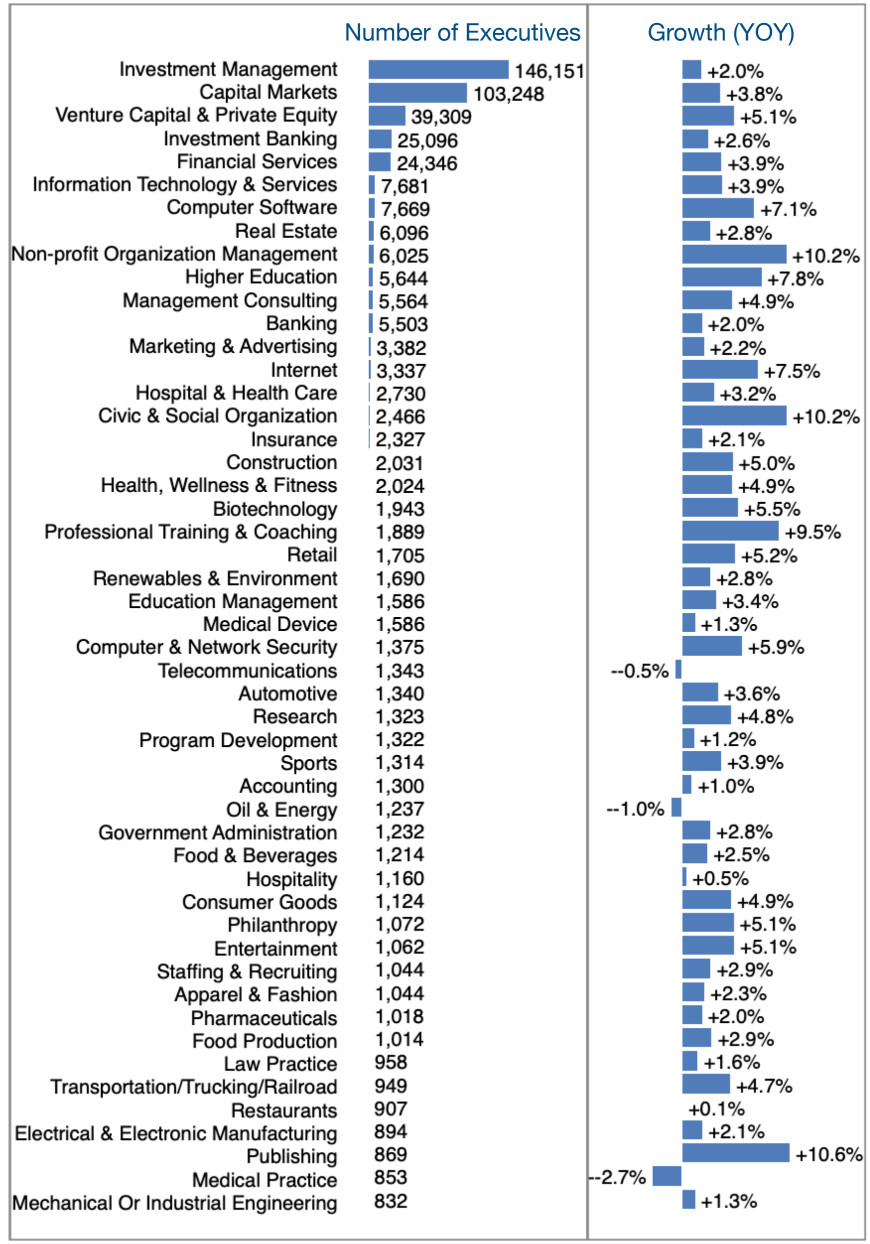
Chart 1: Employing Industries



INDUSTRY UPDATE: Private Equity & Venture

the Iowa Workforce Development. The bank eliminated 197 mortgage jobs in Iowa across earlier layoffs. JPMorgan Chase and U.S. Bank have also shed an undisclosed number of jobs in their mortgage divisions." (See Source.)

Painful as these reductions may be for those directly affected, they underline the opportunity inherent in such changes. As a result Citi hired new talent to execute these changes (Liz Bryant and Darin Lugat, both formerly of Wells Fargo).

Goldman Sachs has also announced adjustments to its staff as the demand for specific segments of its business has changed, for example, IPOs and junk debt issuance. (See Source.) For more perspective see The Upside of Downsizing.

On the other hand, Blackstone has ranked number one or two in the capital-raising rankings in the past year and shows accordingly high growth in its executive ranks (+18.3%), although its third quarter 2022 profits were well off, so far it seems to be avoiding staff reductions. (See Source.)

To learn more about Who's Who in the industry, see our recent article on Private Money in Your Future.

Title-wise (Chart 3), the industry is not as top-heavy as some, in this case with far more Vice Presidents and Managing Directors than CEOs — testament to the relatively concentrated state of the industry at this juncture.

So what does a Vice President versus a Managing Director earn at, for example, BlackRock? One source says the median value is $147,000 for a VP and $250,000 for an MD. (See Source)

Chart 3: Executive Titles

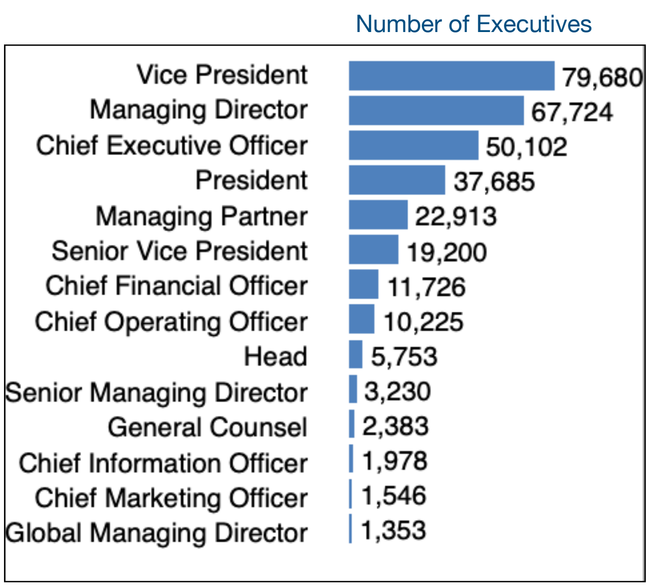
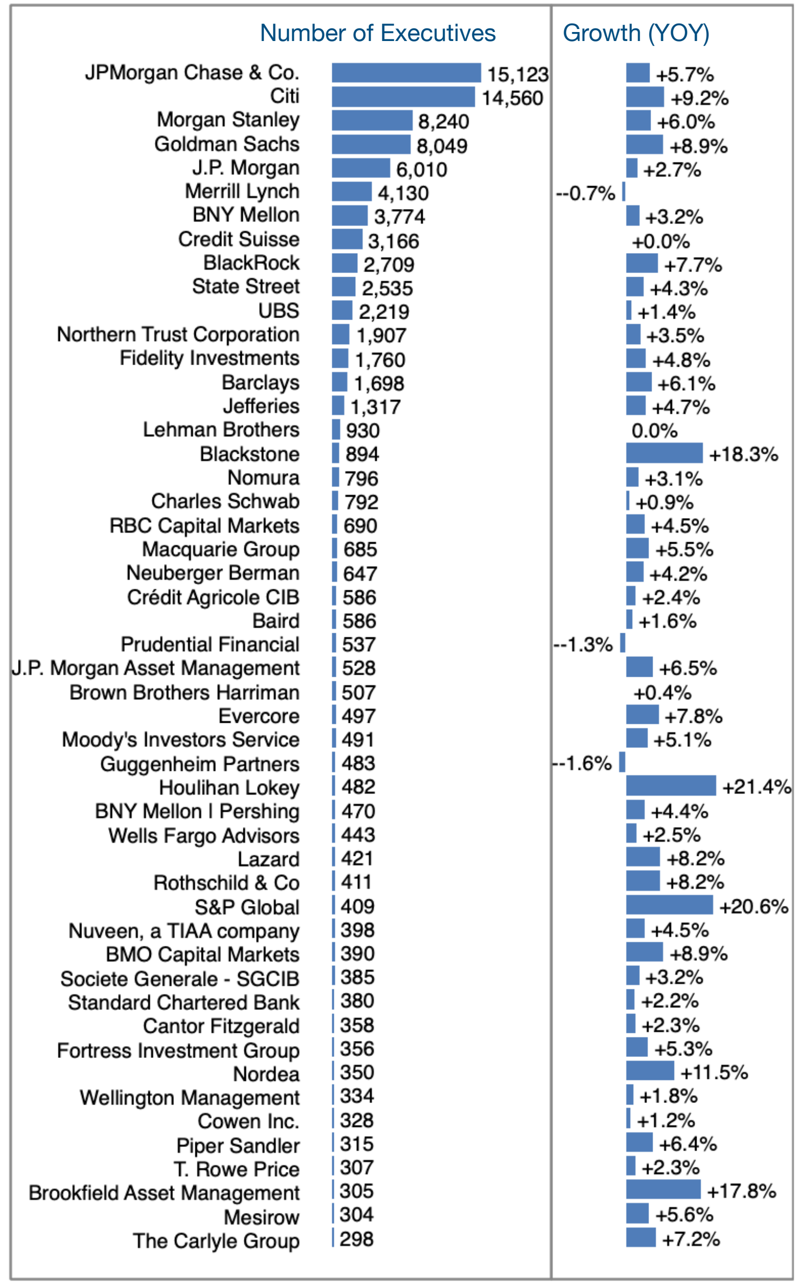


Chart 2: Top 50 Employers



INDUSTRY UPDATE: Private Equity & Venture

Chart 4: Specializations

Chart 4 explores the specializations cited by LinkedIn member executives indicating their main sphere(s) of activity. Of course, each executive probably does have more than one string to his/her bow, so please bear that in mind when looking at the totals.

Two aspects stand out immediately in this data; the first is that Start-ups have plunged from number 2 in 2021 to rank 20. Part of this is undoubtedly the enlarging of our executive pool by including more titles this year (see Editors' Note). However, start-ups also seem to be somewhat out of favor at the moment as being generally too risky. One source cites a 34% drop in Q3 2022 funding for VCs due to this phenomenon (see Source). Smart money may instead be chasing established businesses that want to grow and scale.

Nevertheless, there are undoubtedly start-ups to watch in the coming months that capitalize on cost savings, consumer trends, and market opportunities. Here is Forbes' recent list, for example: Promising start-ups in 2022.

Another key observation based on Chart 4 is the relative transferability of some of these skills versus other industry segments. As we highlighted in our transferability analysis (Read More), generic skills such as Business Development or Sales Management are most universally transferable followed perhaps by Finance, Budgeting, Product Development and Business Planning. As you will see from Chart 4, some of these are present, but only Finance ranks high in the list. In other words, there is a relatively high level of specialization in this industry vertical.

The industry is notorious for hiring in a very regimented way from primarily three sources: undergrads as analysts, banking analysts from banks, and hiring of industry insiders from other PE firms. (See Source.)

Let us examine one example. We mentioned Blackstone's relatively rapid expansion early in this Update. Where did those associates come from?

- Goldman Sachs (+65/-13)
- Morgan Stanley (+47/-9)
- PwC (+45/-3)
- EY (+37/-2)
- Citi (+30/-8)
- Blackrock (+26/-10)

The list goes on to name Deloitte, J.P. Morgan and Credit Suisse, but perhaps that suffices to make the point. Note that the moves listed above are not only at the executive level, however, our research can also identify individual job changers in case that knowledge serves our clients' social capital strategies.

Read More

Private Money In Your Future- Dry Powder

October 10, 2022 | Chairman's Blog

If you do not already work for a company with connections to private equity (PE) or venture ...

INDUSTRY UPDATE: Private Equity & Venture

Most of the top 50 locations for PE/VC executives (Chart 5) seem to have grown faster than the industry average. This suggests that some locations must also be shrinking or at least growing much more slowly (Chart 6).

Among the top three locations, Citi, JP Morgan, Goldman Sachs, and Morgan Stanley dominate the employed executives list as the largest employers. As of San Francisco, BlackRock and Charles Schwab join the top ranks. Northern Trust shows up in Chicago, and State Street, Fidelity, and BNY Mellon come in as of Boston. LinkedIn states that the hiring demand is ‘very high’ in these top locations, except for Los Angeles that ranks as ‘moderate’.

Outside the US and the UK, top employers include Credit Agricole, Societe Generale, and Rothschild & Co. in Paris, Citi, Standard Chartered Bank, and Credit Suisse in the UAE, and in Ireland (profiled due to its high growth rate), Citi, State Street, and Citco Group.   Naturally many other locations deserve further mention but we have limited space in this Update.

Chart 5: Growing Locations

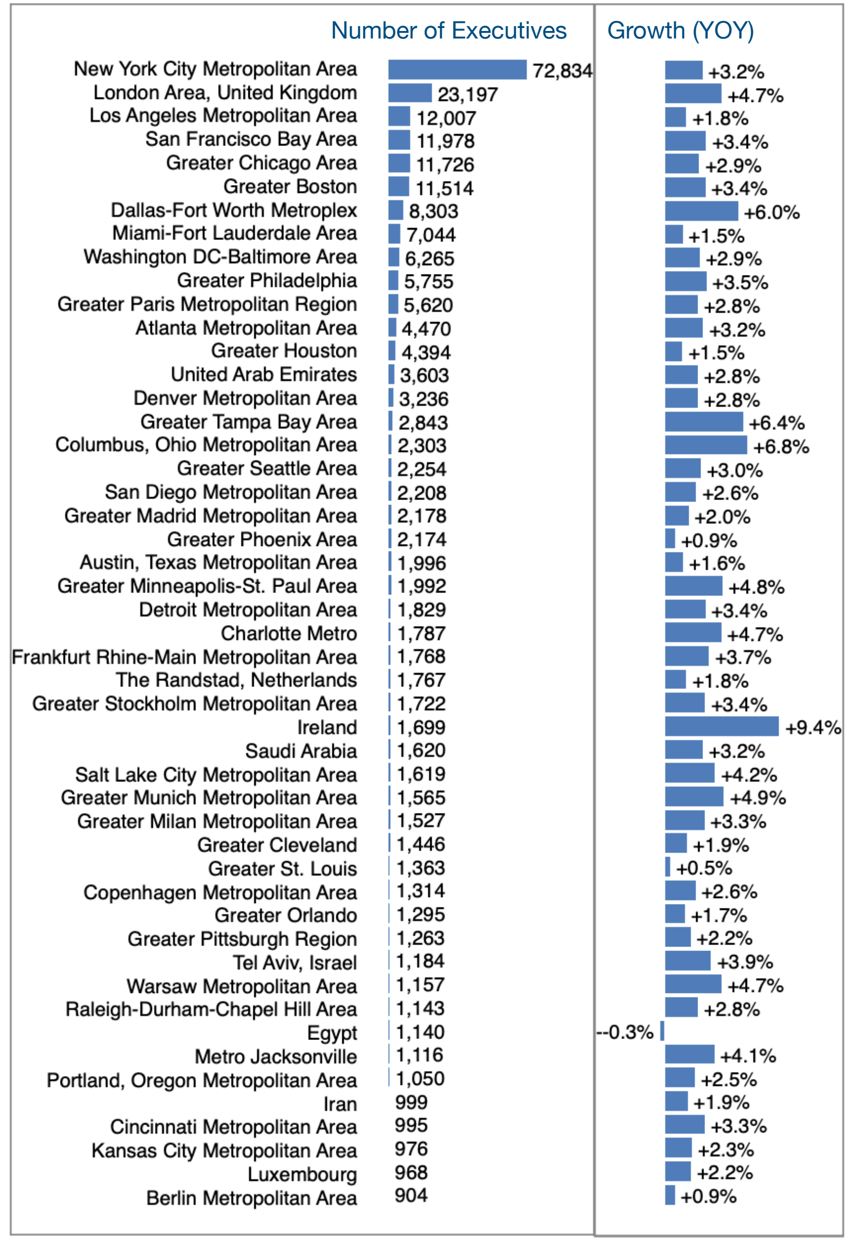
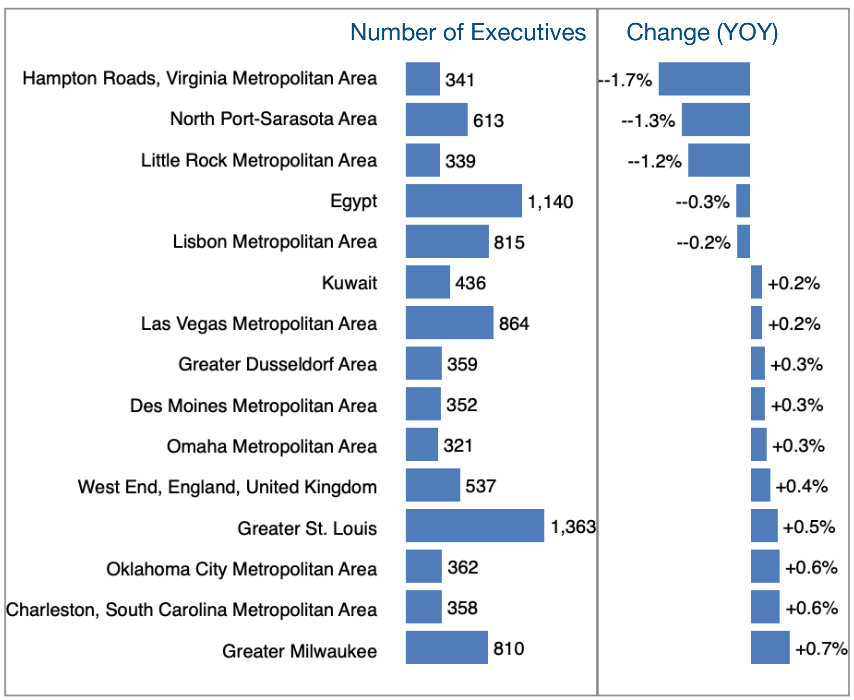


Chart 6: Locations with Lowest Growth



Our clients of course have access to our complete research capabilities that typically evolve in an initial screening stage, then a deeper dive into a smaller list of targeted companies, followed by in-depth profiling of specific companies and even hiring executives ahead of critical interviews.

INDUSTRY UPDATE: Management Consulting

Management Consulting

INDUSTRY UPDATE: Management Consulting

Introduction

When researching the management consulting industry, the first aspect one is likely to notice is its amorphous contours; as one source puts it:

"Despite the relatively mature state of the market, the large variety of services (industries, functional areas, market/region focus) that span the consulting industry imply that ***there is no clear-cut consensus on how the market should be defined****. Representative bodies (e.g. the MCA in the UK) and analyst firms (e.g. ALM Intelligence, Gartner, etc) all use different market definitions, and as a result the estimates for the size of the consulting market differ substantially, ranging from just over $100 billion up to $280 billion."* [See Source.]

Consequently, there are a variety of estimates of how large the market is and how fast it is growing. Readers will find one set of data below that seems widely accepted.

The US market, presumably the largest in the world, has grown explosively in recent years:

"In 2022, the management consulting services industry in the United States generated a total of approximately 329 billion U.S. dollars. Between 2012 and 2022, the management consulting services industry grew exponentially and was worth 100 billion U.S. dollars more in 2022 as in 2012." [See Source.]

The European market seems to have recovered considerably from the Covid-induced contraction:

"The Management Consultants industry's revenue is expected to increase at a compound annual rate of 2.8% over the five years to 2022 to total €225.5 billion. Following a steep decline over 2020, business confidence is expected to grow over the two years through 2022, which is anticipated to support demand and revenue growth. Industry revenue is forecast to rise by 2.5% in 2022…" [See Source.]

The Middle East is also a hotbed of activity:

"From advising Saudi Arabia on the key pillars of its Vision 2030 or helping the United Arab Emirates with advancing its travel and tourism hotspot strategy, to supporting the Lebanese government with its mammoth task of saving its economy from the brink of collapse, strategy consultants are in high need across the Middle East and Arabic part of North Africa (MENA). The region is buzzing with change, and strategy consultants are working on some of the most pressing and high impact challenges and transformations in the private and public sector." [See Source.]

Looking ahead…

The global management consulting industry "*is anticipated to grow by $814.6 billion by 2031, at a CAGR of 10.6% during the prediction period.*" [See Source.]

While the priorities will likely vary by geographic market and industry, some broad areas of focus for the management consulting industry as highlighted by LinkedIn (see Source) may well include the following:

- Ongoing digitalization
- The Impact of Law on Business
- Target Market (As the management consulting industry expands, it continues to divide into two market segments: a commoditized, low-cost sector and a high-value, specialized consulting sector)
- Digital Integration (…consultants will build thorough digital strategies and reimagine the current business and operational models in 2023.)
- Fail Fast Methodology (…an agile development mindset that makes use of the idea of "failing quickly.")
- Recruiting New Talent (The emphasis on skill sets in hiring fresh personnel is continuing to replace the conventional top-tier universities.)

INDUSTRY UPDATE: Management Consulting

- Multi-sourcing Mode (…large generalist companies collaborating with smaller niche specialists; management consulting companies teaming up with consultants from outside the sector; and consultancies teaming up with academic institutions, digital agencies, and technology firms.)
- Crowdsourced Talent (…a disruptive business model that enables clients to hire piecemeal from specialized companies or independent contractors…)

Beyond these intriguing subjects, leveraging artificial intelligence, the future of work, and numerous aspects of green energy as well as environmental sustainability will occupy business management in the coming years and therefore remain promising territory for management consulting.

The Executive Market

Readers may have heard that crisis breeds opportunity. It certainly also breeds management consultants—at least based on LinkedIn data.

Editor's Note:

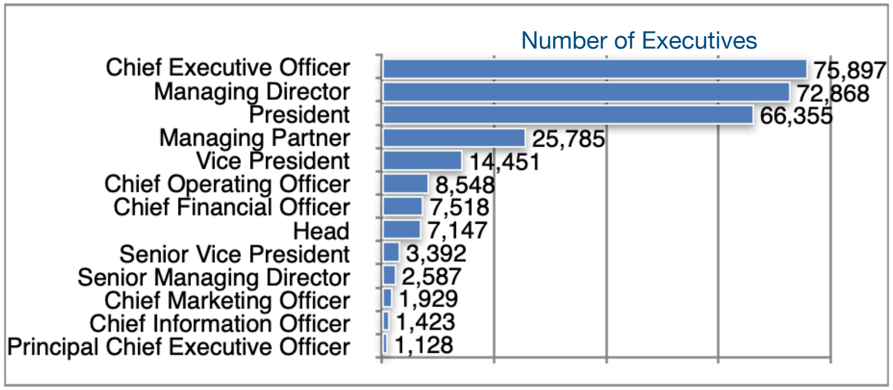
In this particular Update "executives" will generally refer to the Vice President, Senior Vice President, Chief Operating Officer, Chief Financial Officer, Managing Director, Chief Executive Officer, Chief Human Resources Officer, Chief Marketing Officer, Chief Information Officer, Managing Partner, General Counsel, Head, and President titles. Unless otherwise noted, the data in this Update will largely come from LinkedIn and represents a snapshot of the market as it was at the time of the research. Is LinkedIn truly representative? Here's a little data: LinkedIn has more than 800 million users. (See Source) It is by far the largest and most robust business database in the world, now in its 19th year. LinkedIn defines the year over year change (YOY Change) as the change in the number of professionals divided by the count as of last year and "attrition" as the departures in the last 12 months divided by the average headcount over the last year.

Executives as we define them (see Editor's Note) who claim Management Consulting as their primary industry on LinkedIn number some 284,000 in our target geographies*—having grown 3% versus prior year and implying some 17,000 executive opportunities (job changes plus industry growth) over the last 12 months. This population is predominantly male (75%), exhibits on average a "high" hiring demand per LinkedIn, and an average tenure of 3.9 years.

Approximately 150,000 of these positions are located in the EU, UK, and Middle East, a market that also grew by 3% YOY where Paris, London, Munich, the UAE, and Madrid occupy the top locations. This market has a somewhat lower female share (22%) and shorter tenure (3.8 years). In the US, some 134,000 executives claim this as their main field of endeavor, up 3% YOY, with a slightly higher female share (29%) and longer tenure (4.1 years).

Chart 1 describes the title landscape that seems heavily skewed toward the top of the organization implying a relatively small average company size. As we will see in subsequent charts, the industry is dominated by a few larger concerns and has a long list of smaller, presumably specialized firms in its roster.

Chart 1: Executive Titles



*While the Barrett Group serves clients all over the globe, the majority of our clients are in the US, Europe, the UK, and the Middle East.

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In Chart 2 we examine the industrial focus of this executive population. As far as relative size is concerned, it will surprise no one to see Information Technology & Services high on the list, but it may well surprise readers to see Higher Education at the top of the chart, or Professional Training & Coaching, and Non-profit Organization Management in the top five, the latter showing the highest growth of any industry focus.

While the growth YOY is visible in Chart 2, LinkedIn also distinguishes some tracks as exhibiting higher or lower "hiring demand" irrespective of growth, meaning even if the growth is relatively low there could be high attrition or numerous executives changing industries and thus creating vacancies. Here are a few highlights:

Sectors Experiencing Very High Hiring Demand

- Information Technology & Services
- Computer Software
- Internet
- Hospital & Health Care
- Investment Management
- Staffing & Recruiting
- Venture Capital & Private Equity
- Banking
- Telecommunications
- Medical Devices
- Legal Services
- Apparel & Fashion
- Philanthropy
- Biotechnology

Female Executives: see the special focus section.

Chart 2: Industry of Focus

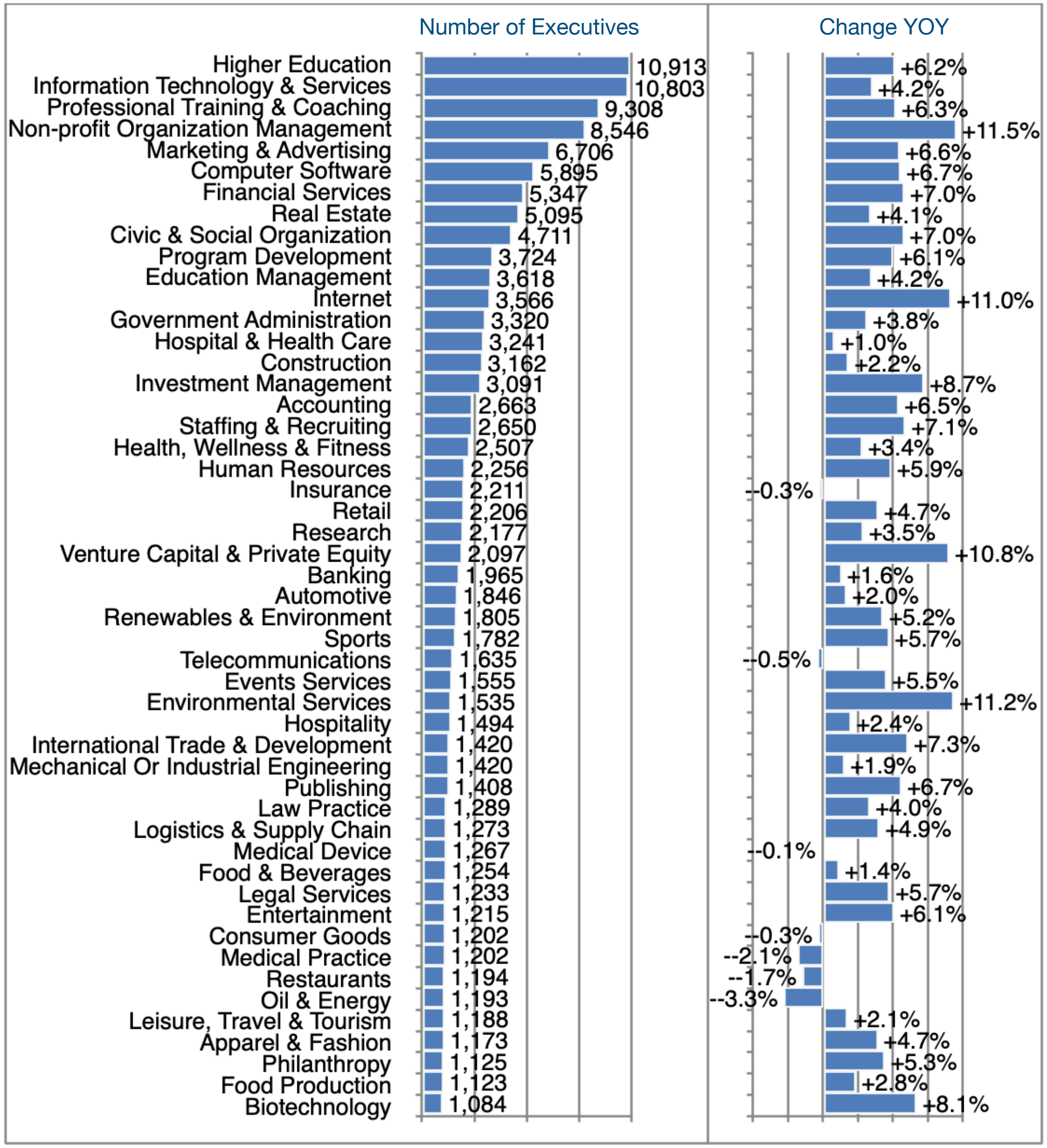

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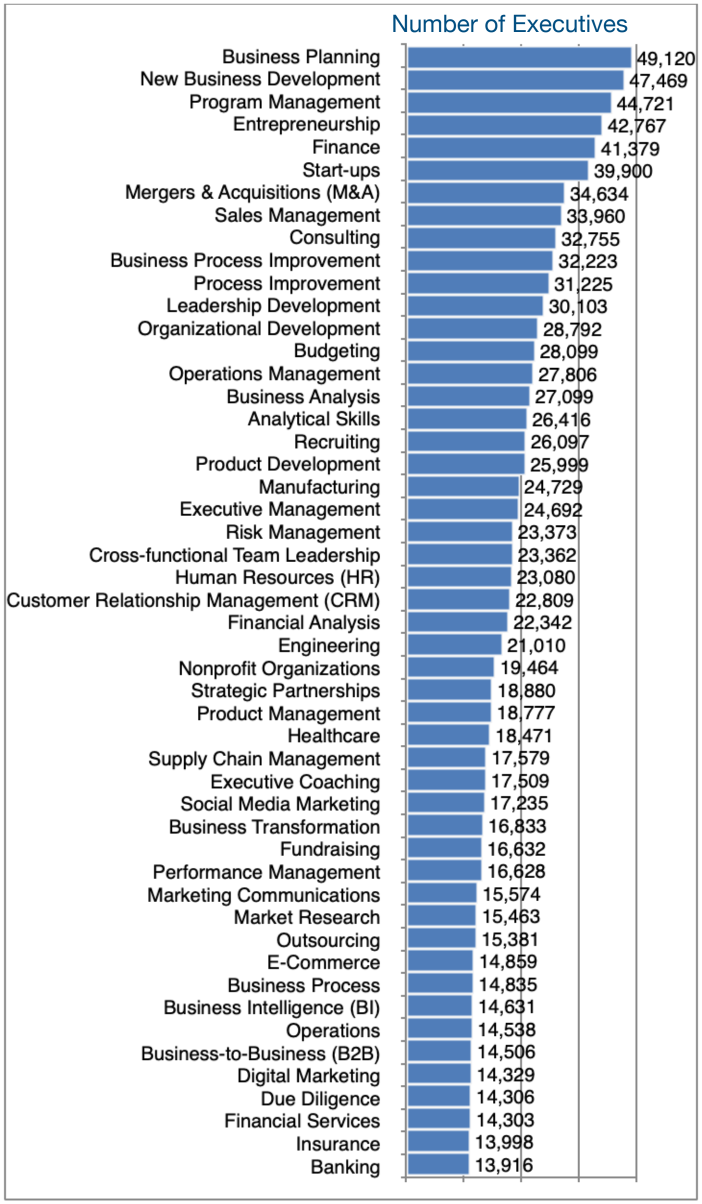
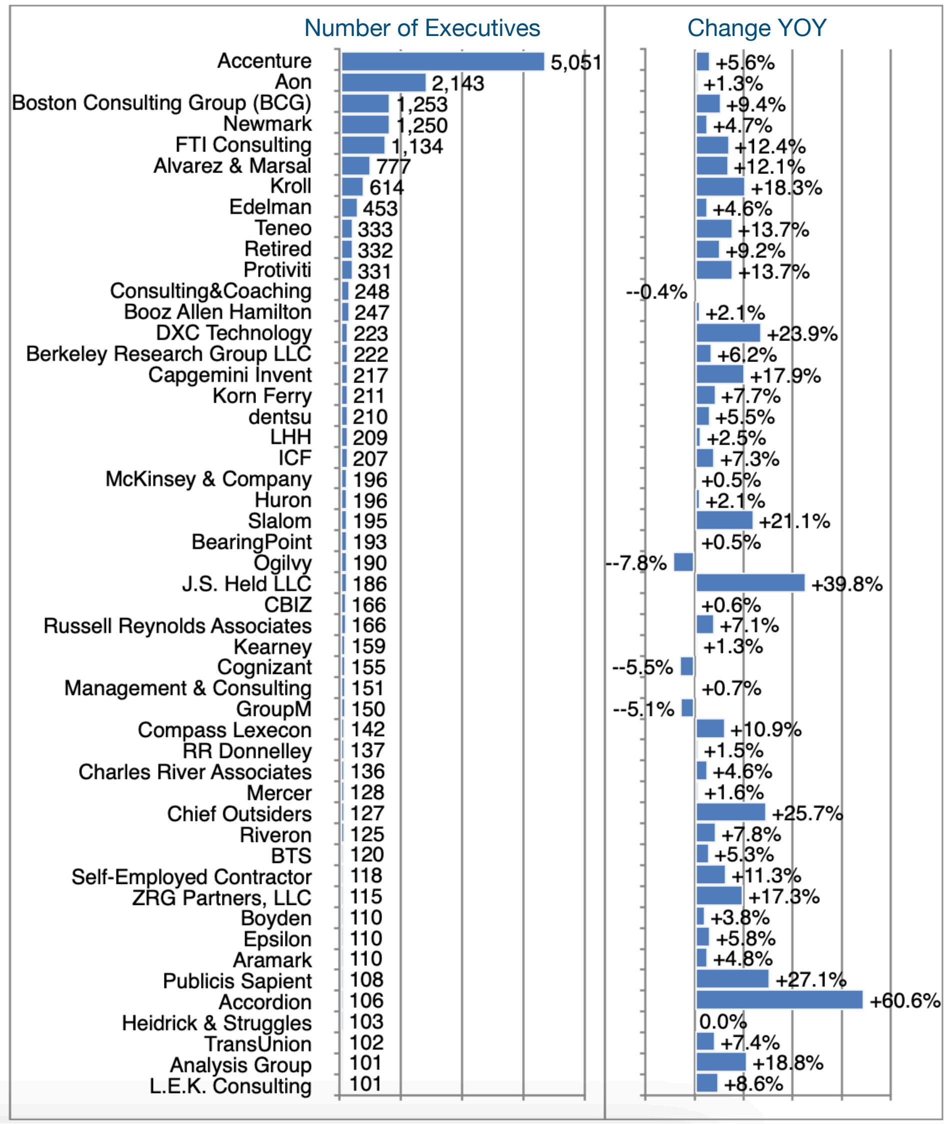
Chart 3: Executive Specialization



While any given management consultant may be a specialist in a limited number of specific areas, it is not surprising that, taken as a whole population, management consultants cover most key business areas as shown in Chart 3. It seems to us in fact that the bulk of management consultants per this analysis tends to be generalists (e.g., Business Planning, New Business Development, etc.) versus farther down in the ranking more specialist activities such as Outsourcing or Due Diligence. This becomes a relevant consideration especially for those who might like to migrate into the management consulting industry and wonder about the transferability of their skills and experience.

Chart 4 explains our comment about relative concen-tration in the industry with Accenture employ-ing more than twice as many executives as their next largest competitor. The numbers decline rapidly thereafter

Chart 4: Top Employers of Executives



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as the size of the organization declines. This is consistent with the title architecture we highlighted in Chart 1.

Of course Barrett Group clients have access to very specific industry, location, company, and even individual executive data, however, for the purposes of this Update let us examine the largest player, Accenture, in more detail. During the past year the company gained or lost executives for these top five skills (among many others):

Information Technology & Services (-34 / +54),	Net change: +20
Computer Software (-29 / +15),	Net change: -14
Accounting (-31 / +11),	Net change: -20
Legal Services (-15 / +9),	Net change: -6
Marketing & Advertising (-14 / +0),	Net change: -14

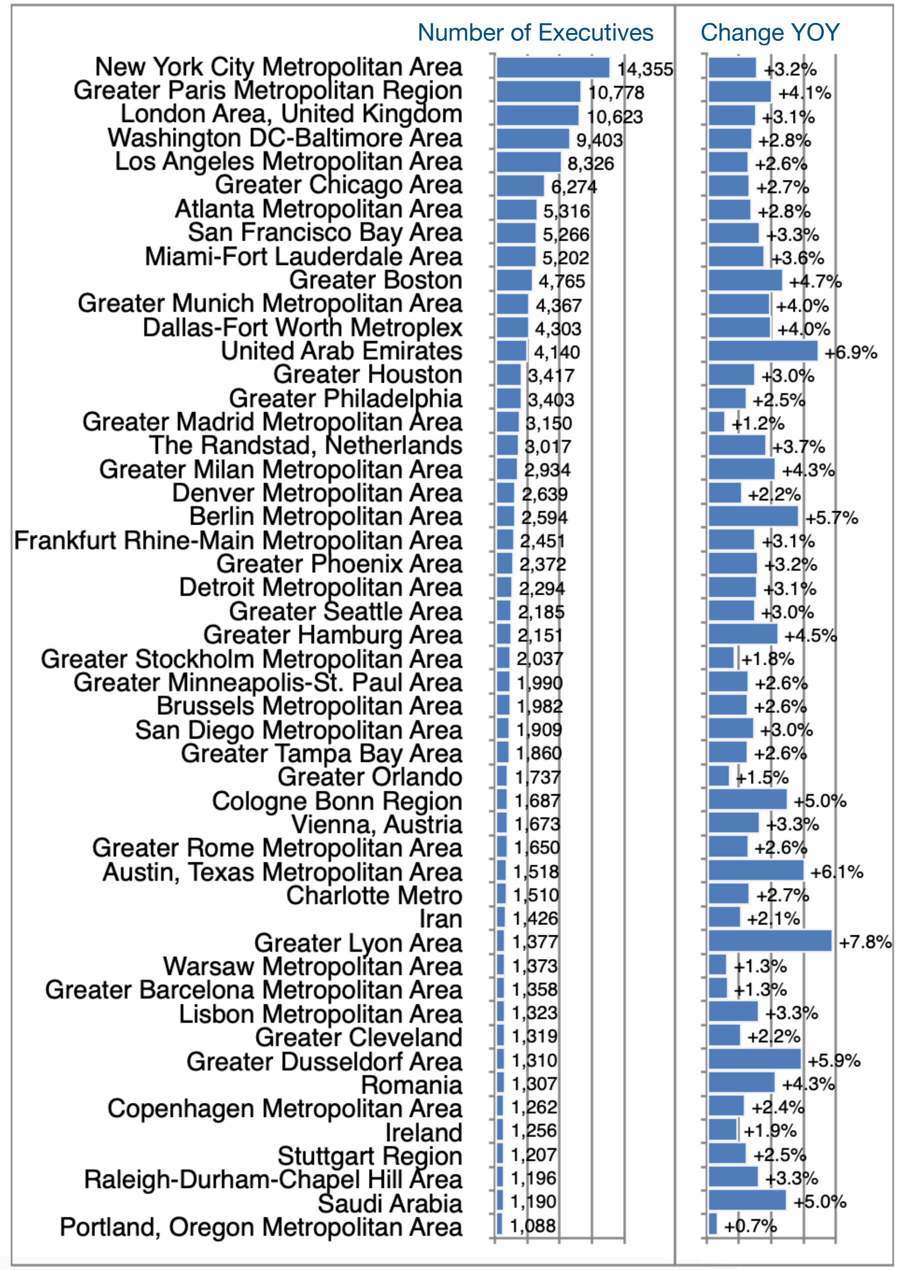
Geographically, the company hired executives broadly: +6% in New York, +4% in London, +10% in San Francisco, and +5% in Paris, to name a few selected locations—all of them above the industry average. According to LinkedIn, Accenture actually added more than 52,000 total staff in the past year, hiring from Deloitte, Cognizant, Capgemini, Infosys, IBM, Wipro, EY, Genpact, and HCL Tech.

For comparison, take Boston Consulting Group (BCG) whose executive ranks swelled by more than 9% YOY. They also hired broadly from competitors such as Deloitte, Accenture, EY, Bain & Company, McKinsey & Company, PwC, Kearney, but also big tech, e.g., Amazon and Google. Geographically, BCG added staff in New York, Delhi, Boston, London, Paris, Munich, Chicago, Atlanta, Washington DC, and Milan.

To explain some of the most extreme growth in Chart 4, J.S. Held LLC grew by more than 39% through its October 2022 acquisition of TBG Security, a cyber security consultancy (and no relation of the Barrett Group). Another fast grower, Accordion, received a significant investment in 2022 and has hired fairly continuously from Mackinac Partners and Grant Thornton LLP (USA) as well as from most of the major management consulting firms.

Chart 5 opens up the subject of location (place of employment, not necessarily working location). That New York is number one is fairly

Chart 5: Executive Locations



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usual. Nor is it a big revelation that Los Angeles and Washington DC should appear in the top five, however, that London and Paris occupy second and third place is highly unusual at least compared to other industries we have studied.

From a growth point of view, the UAE (+6.9%) and Saudi Arabia (+5%) stand out, but so do Lyon (+7.8%), Austin (+6.1%), Dusseldorf (+5.9%), Berlin, (+5.7%), and Bonn (+5%). As we have mentioned before, a high hiring demand may exist in a market or a profession regardless of the growth rate. These locations are all rated as having a "very high hiring demand" by LinkedIn:

- New York City Metropolitan Area
- Greater Paris Metropolitan Region
- London Area, United Kingdom
- Greater Chicago Area
- San Francisco Bay Area
- Greater Boston
- Dallas-Fort Worth Metroplex
- Greater Houston
- Greater Seattle Area
- Austin, Texas Metropolitan Area
- Raleigh-Durham-Chapel Hill Area
- Nashville Metropolitan Area

Other locations such as Hamburg, Bonn, and even the UAE, having grown relatively fast in the recent year now rank as having low hiring demand. Most likely this reveals a period of recovery perhaps from the pandemic that may now have normalized.

The Barrett Group helps clients reposition in any market by reviewing their aspirations to come up with a holistic professional target encompassing income requirements, location, industry, role, and especially quality of life.

Female Executives: ♀

Given the relatively low female executive share in this industry (25%) it might be encouraging to focus on some of the areas where female executives are making more progress.

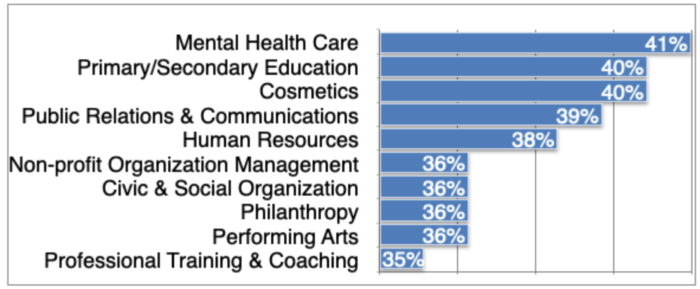
The top chart in this box focuses on the industrial segments with the highest female executive shares.

The second chart highlights the executive specializations with the highest female executive shares.

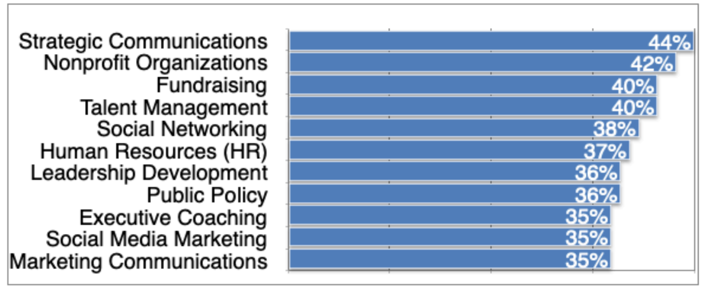
Per the third chart in this block, that 40% of the CEOs in this industry should be female seems quite refreshing. In fact all of the listed executive titles exceed the average female executive share of the industry.

In the last chart in this block we look at the locations with the highest share of female executives. The US may take some time to challenge Finland and Romania but many locations are making progress. [See Female Executives.]

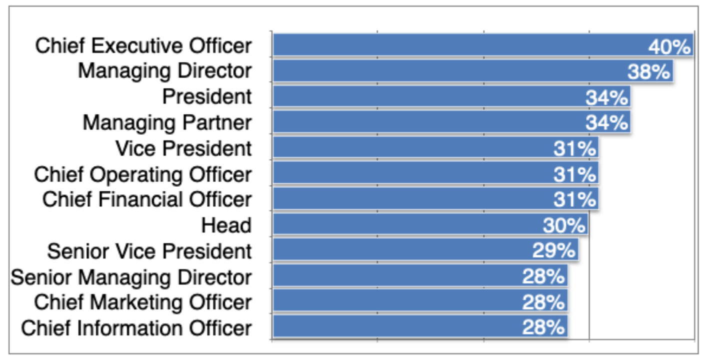
Industry/Segment



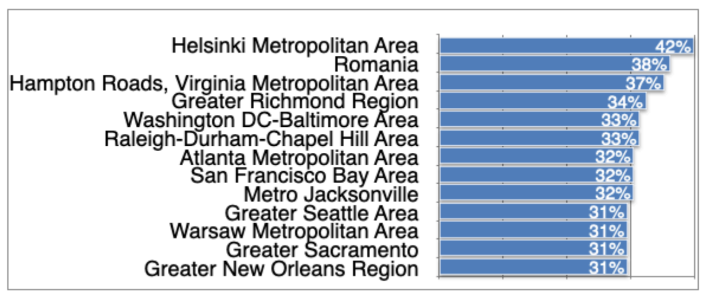
Specialization



Title / Role



Location



INDUSTRY UPDATE: Health Care

Health Care

INDUSTRY UPDATE: Health Care

Introduction

As much as we might all prefer to see Covid-19 in the rearview mirror, it is not yet behind us. Coupled with increased infection rates from flu, the winter of 2022/23 will probably see resurgent strain on health care providers as they struggle to manage a lack of trained personnel, confusing health directives from public authorities, anti-vax rhetoric on social media, and many other challenges. Specifically, nurse shortages, rising physician retirement rates, support personnel turning to more lucrative or less stressful professions, and extreme variations from one region to another will also complicate the life of health care professionals in the coming years. (See Source).

Yet there are some solutions on the horizon, for example:

- Better use of health data as wearables and big data analytics permeate the health space.
- Patients will have more options for telehealth and home health care.
- We are likely to see an increased focus on mental health care. (See Source.)
- More integrated patient data through electronic health records can improve overall health maintenance.
- Remote monitoring utilization will aide prevention and seems likely to expand. (See Source).
- Many countries and local authorities are reexamining how public health systems responded to the Covid-19 challenges to avoid failures in the future. (See Source.)

Taken together, change in the industry seem inevitable and there is clearly a role for medical technology or "MedTech" to enhance health services (see Source). Apparently health care investors are also planning to continue investing:

"A recent survey of leaders of private equity firms by McDermott Will & Emery and WSJ Intelligence, part of The Wall Street Journal, found that 40% of respondents had the most interest in investing in healthcare IT and telehealth in the next three years, followed by 37% interested in partnerships with large health systems."

The same source continues…

"Nearly three-quarters agreed that "the health care sector was ripe for structural change prior to the onset of the pandemic, which has accelerated opportunities for investing in new modes of health care delivery." (See Source.)

Robotics, for example, may also play a growing role in how health care is delivered—beyond the remote surgery technology already in use. In fact, six specific uses of robotics in the field include (see Source):

- Nursing (in place of human nurses)
- Sanitation
- Exoskeletons
- Companions
- Doctors and coaches
- Microrobots

So, as we say, expect change. And whatever change comes, it will require skilled executives to manage the transitions and deployment of new approaches, increasingly many executives without medical backgrounds.

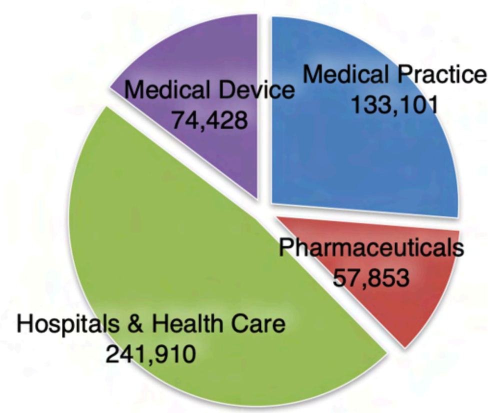
The Health Care Executive Market

As we define executives (see Editor's Note) within the bounds of the US, UK, EU, and Middle East geography, and four key fields, i.e.,

- Hospitals & Health Care,
- Medical Devices,
- Medical Practice, and
- Pharmaceuticals

we are talking about approximately 500,000 executives in this Update, a group that has grown little (0.5%) in the past year, but seen almost 4% change jobs—a relatively high "churn" compared to other industries. This churn was highest in the Hospitals & Health Care segment and lowest in the Medical Practice area.

Executive Employment in major Health Care market subsectors



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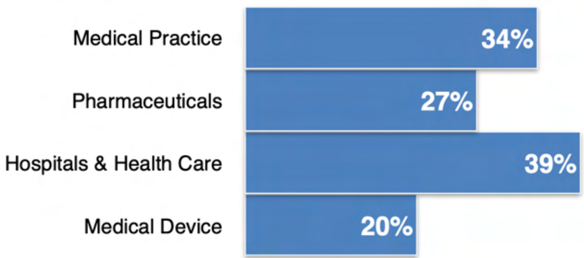
As we have noted before, at 34% the female executive population share in this industry is decidedly higher than most, but also varies considerably by subsegment. See Chart 1.

Chart 1: Female Executive Share per Subsegment



Of course this share varies further by location and specific role. We will explore this trend further in the subsequent charts.

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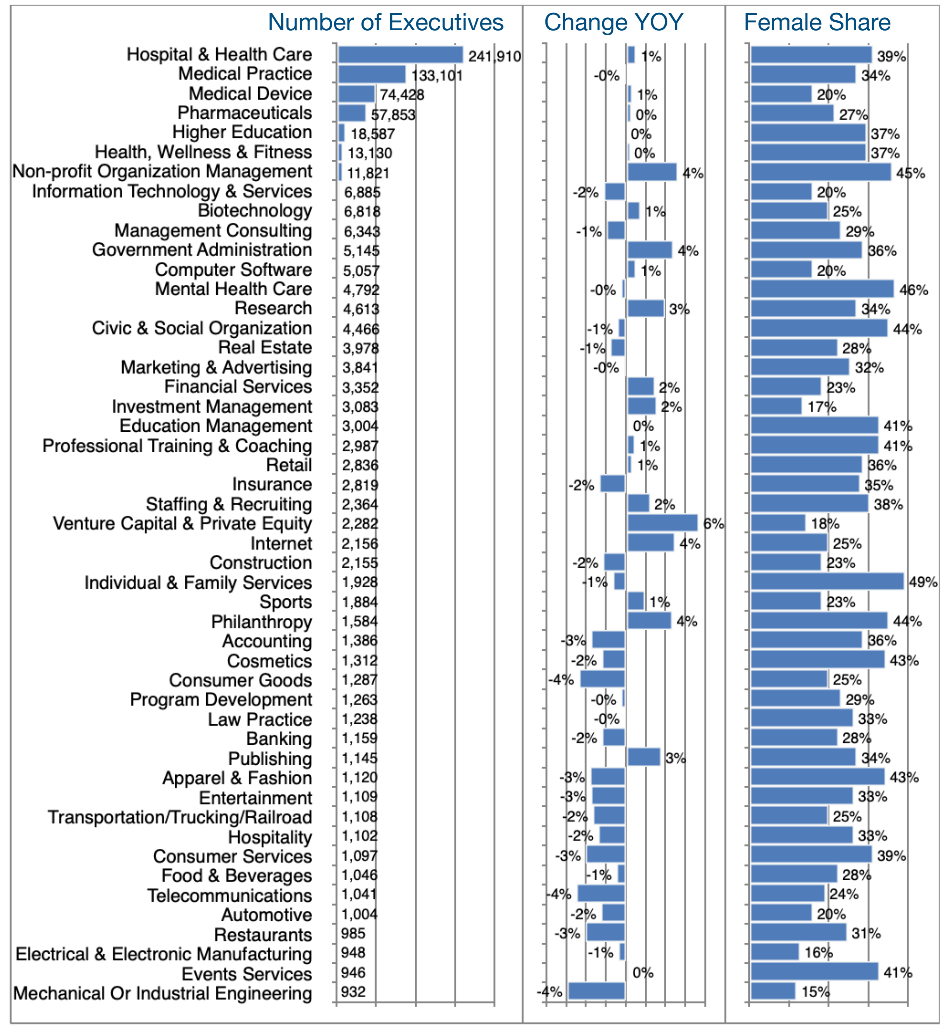
In Chart 2 we provide an overview of executive employment per subsegment as well as the respective female executive shares.

Chart 2: Executive Employment by Industrial Subsegment



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Per Chart 2, the entire industry exhibits low growth, but bright spots in terms of percentage growth appear in Private Equity & Venture Capital (PE & VC, +6%), Non-profit Organization Management (+4%), Government Administration (+4%), Internet (+4%), and Philanthropy (+4%)—generally areas with a high female executive share (except PE & VC).

In terms of the largest volume of executive roles, these constitute the top players overall:

- Kaiser Permanente - 1,585, +1% YOY
- Siemens - 1,083, +6%
- GSK - 598, +3%
- Novartis - 517, +4%
- Johnson & Johnson - 510, +6%

In the top four subsegments, we find the following largest employers of executives:

- Hospitals & Health Care - HCA Healthcare, NHS, Ascension
- Medical Practice - Kaiser Permanente, Northwell Health, Mayo Clinic
- Medical Device - Siemens, GE Healthcare, Medtronic
- Pharmaceuticals - GSK, Novartis, Pfizer

As readers of these Updates know, executives on LinkedIn tend to highlight more than one specialization in their profiles, so the numbers in Chart 3 will likely exceed the total number of executives. Nevertheless, they provide a snapshot of what all of these senior managers actually do day to day.

Certainly there are many specializations requiring a medical background in this list but there are also numerous roles that do not require a medical degree that may also be highly transferable into or out of this industry. As we noted in the introduction, the digitization of health care is well underway with all of the usual needs for big data analytics and infrastructure (e.g., Healthcare Information Technology, Electronic Medical Records, Analytical Skills, Electronic Health Records, etc.). Taken together, these represent more than 100,000 executives from Chart 3, certainly with some overlap, but a significant opportunity for non-medical executives with the right skills.

As far as the female executive share is concerned, it is perhaps not surprising that Nursing comes out so high (59%) but there

Chart 3: Executive Specializations

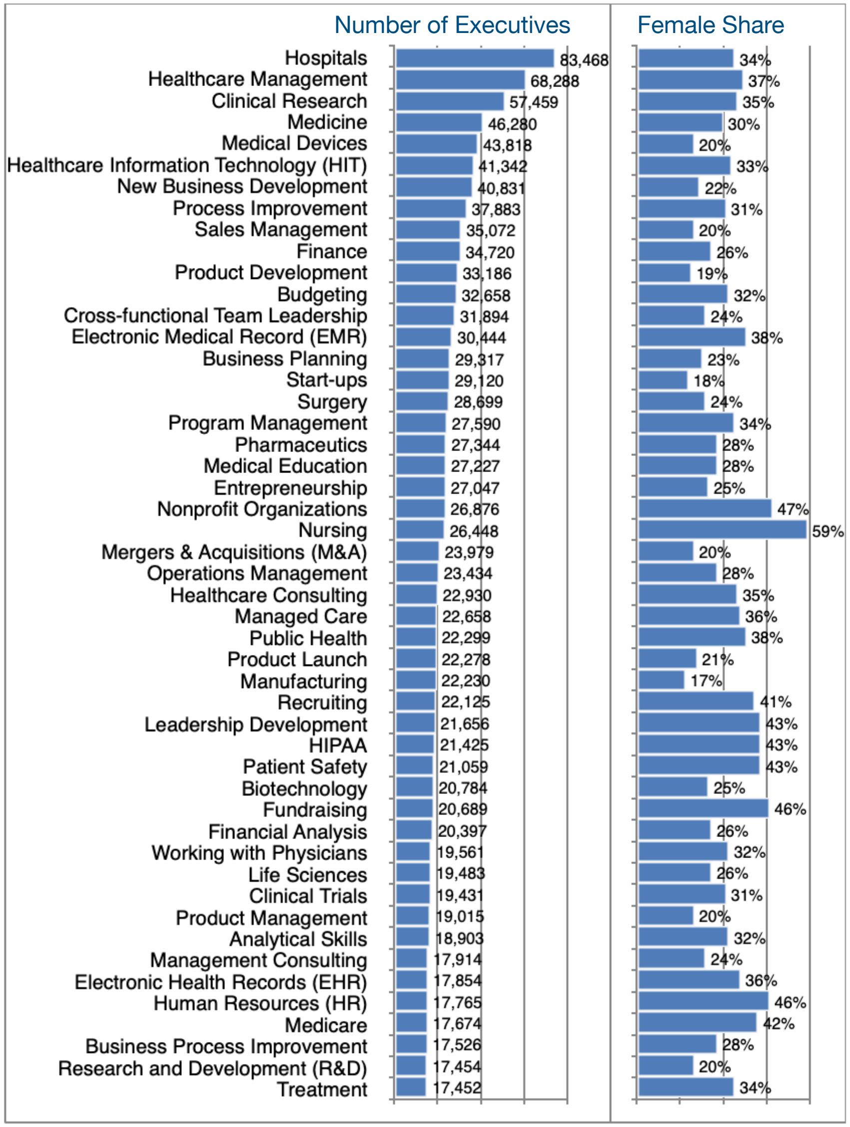

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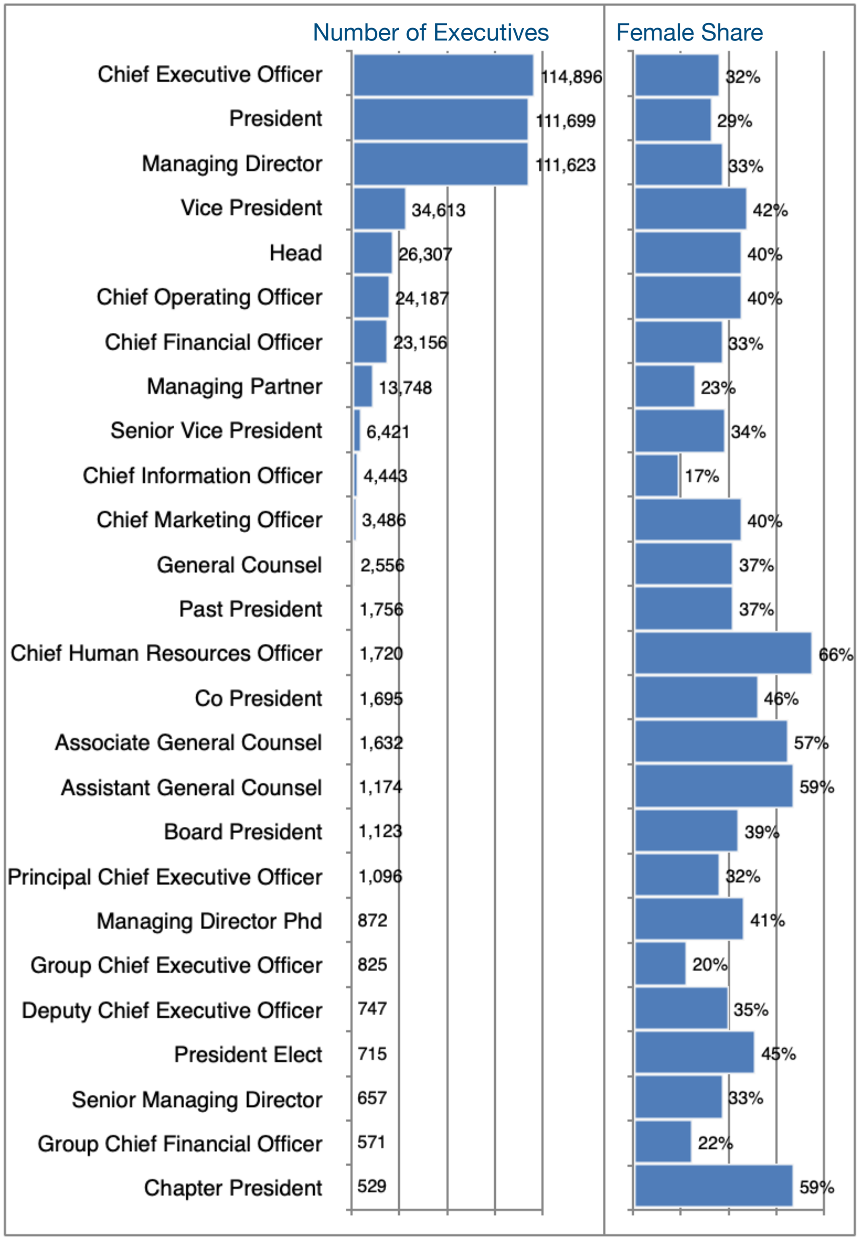
Chart 4: Executive Titles

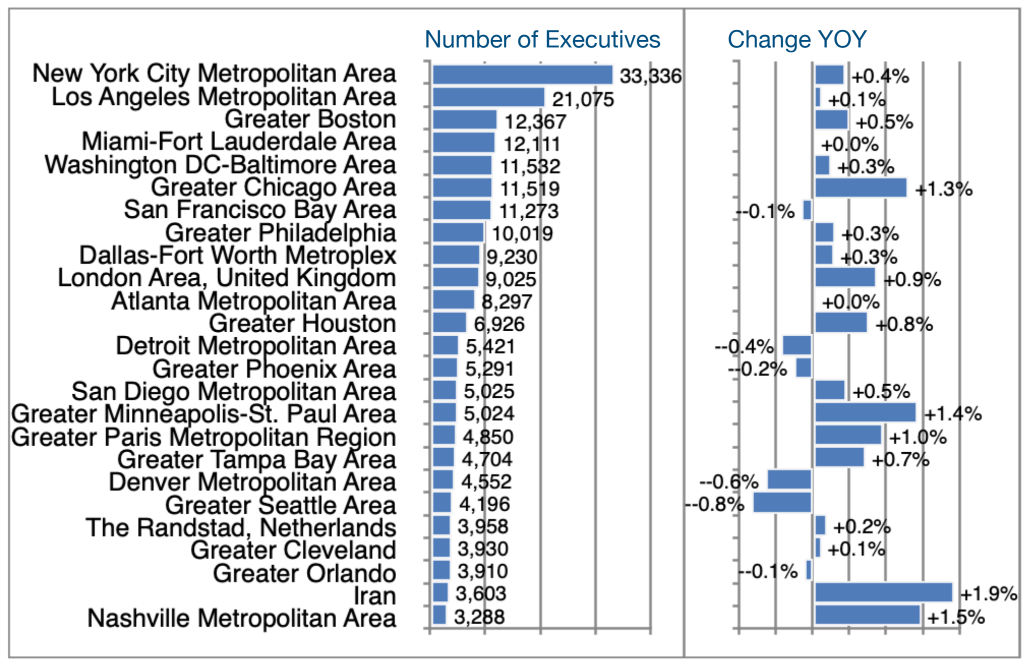


are numerous other pockets of exceptionally high female executive participation in this overall industry per Chart 3, including Nonprofit Organizations (47% female), Fundraising (46%), and Human Resources (46%), not to mention related areas such as Recruitment and Leadership Development, or more industry specific specializations such as HIPAA and Patient Safety.

In Chart 4 we examine the title "geography" of this population. Structurally, the Vice President level is much more thinly populated in this industry than in many others while the CEO, President, and Managing Director titles predominate. The gender make-up also rates a mention, peaking in the CHRO role (66%), but also heavily present in the General Counsel area, albeit at the Associate (57%) and Assistant (59%) level, as well as Co-President, 46%; President Elect, 45%, and Chapter President, 59%.

As far as working location is concerned (Chart 5), New York comes out way ahead, again, followed by a relatively familiar group of large US cities. It is

Chart 5: Executive Locations



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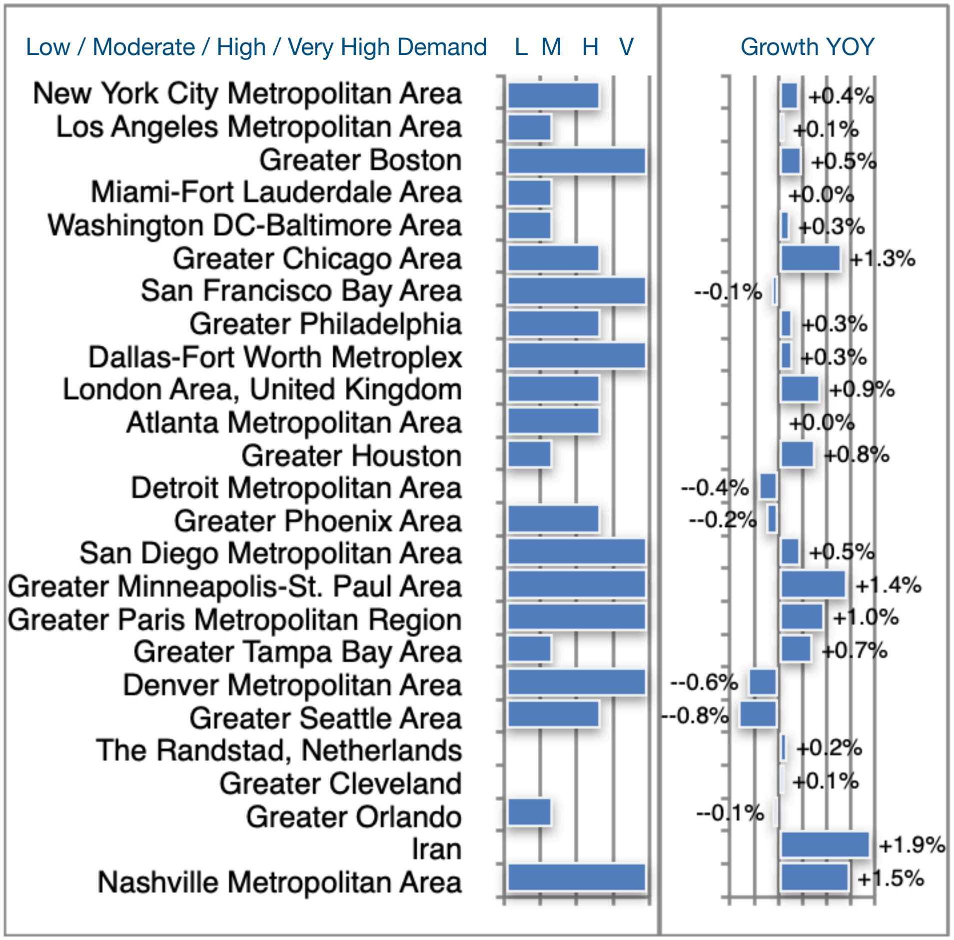
interesting to see some major cities shrinking for a change. Perhaps this is related to what some have described as a significant trend in professionals moving out of major cities and relocating to other, less expensive parts of the country. Nashville, Chicago, Minneapolis, Paris, London, Houston, and Tampa show the highest YOY growth rates (excluding Iran, of course, which is a very specific case).

Chart 6: Executive Employment Demand vs. Growth



Often, one major employer in a city can influence the executive population significantly, so here are the major industry players (largest employers of executives) in each of those fastest growing cities:

- Nashville - HCA Healthcare
- Chicago - Advocate Health Care
- Minneapolis - 3M
- Paris - Greater Paris University Hospitals
- London - GSK
- Houston - MD Anderson Cancer Center
- Tampa - BayCare Health System

Interestingly, growth and demand do not move hand-in-hand in this industry (Chart 6) as we see from this comparison where the low growth in San Francisco, for example, nevertheless represents a "very high hiring demand" per LinkedIn.

We also hope to illuminate locations outside the US in this Update, so let us consider the growth and demand in other parts of the world (Chart 7) in more detail. Here we have compiled four dimensions into one comparative chart: Number of Executives, Growth YOY, Hiring Demand, and the Female Executive Share.

First, London is clearly the largest market in terms of sheer numbers of executives, and although its growth is moderate, the hiring demand remains very high. Paris is similar, though only about half as large.

Second, as far as growth and demand are concerned, while Berlin (+4.4%) and Vienna (+4.5%) both show relatively high growth, only Berlin shows "very high hiring demand" suggesting that perhaps there was a boom in demand in Vienna which has now been fulfilled.

While the UAE and Saudi Arabia demonstrate either good growth or strong hiring demand, given the large infrastructure projects recently announced in the Middle East, such as the new international airport Saudi Arabia intends to build, we wonder whether these historical data really reflect future demand in the region.

Third, the share of female executives is perennially high in the Nordic countries, but obviously also in Central and Eastern Europe.

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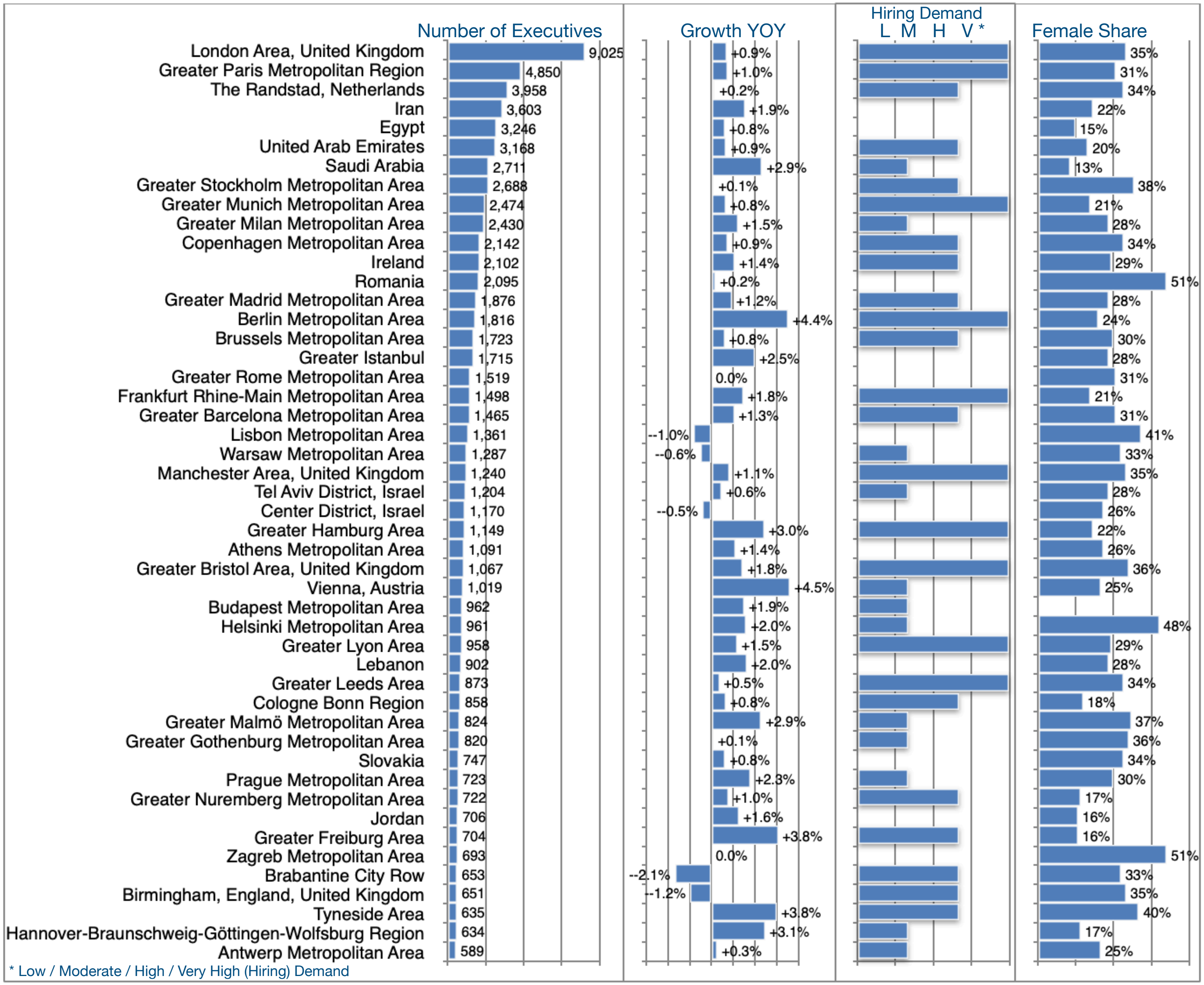
Chart 7: Executive Employment Demand vs. Growth (EU, UK, and Middle East)



Private Money in your Future

We are seeing a significant increase in the number of executives moving into Private Equity (PE) portfolio companies in recent years. Since the mysterious world of PE is ill-understood for the most part by outsiders, we have invested some time and effort in making it more transparent. At the moment, this initiative takes the shape of a series of articles that in turn explore:

Dry Powder (PE companies are sitting on vast sums of investment capital that they will deploy regardless of short term economic cycles.)

Who's Who (We help executive candidates understand where to focus.)

Life After Landing (We profile numerous successful clients who landed at PE portfolio companies.)

Be Part of the Bigger Picture (Infrastructure and especially alternative energy investments will change the industrial landscape in coming years. Perhaps it is time to change industries. If so, we can help.)

INDUSTRY UPDATE: Health Care

Readers might wonder, who employs these nearly 500,000 health care industry executives. Chart 8 provides an overview of the top 50 as well as their relative growth rates over the last 12 months. Our research team can help candidates to explore specific companies, locations and even the professional histories of targeted executives where this becomes relevant in preparing for an interview.

However, in the context of this Update, let us examine briefly where the executives are coming from who have joined the enterprises in Chart 8. For example, as the largest employer of executives in this space, Kaiser Permanente has recruited talent from Sutter Health, Providence, Dignity Health, CVS Health, and the Cedars-Sinai, just to name the top "donors."

As the fastest growing example, Abbott has hired from a very broad range of companies including many competitors, but also internet firms such as Carvana. Another fast grower is United Healthcare whose recruitment sources included Humana, Centene Corporation, Aetna, WellMed Medical Management, Blue Cross/Blue Shield, and CVS Health.

In the pharmaceutical area, AstraZeneca has become a household name through its Covid vaccines, so that it had to manage very rapid growth, which it did by hiring from Novartis, Sanofi, Pfizer, Roche, IQVA, Boehringer Ingelheim, and Bayer.

Medtronic from the Medical Device segment supported its above-average growth by hiring from Stryker, BD, Johnson & Johnson, Zimmer Biomet, and Intersect (the last via acquisition).

On the other hand, the large regional hospital operator Ascension stoked its growth through selective retention during the separation from Amita Health, and then acquired additional talent from Baylor Scott & White Health, Beaumont Health, St. David's HealthCare, Henry Ford Health, and HCA Healthcare.

Our clients receive support from a six-member team including a research specialist who can provide broad-brush screening industry data from our data bases of more than 800 million companies and individuals as well as drilling down into highly granular company, location, and executive-specific information as may be required in preparing for a key interview. Read Research to the Rescue for more information.

Chart 8: Top Executive Employers