Industry Updates 2024

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

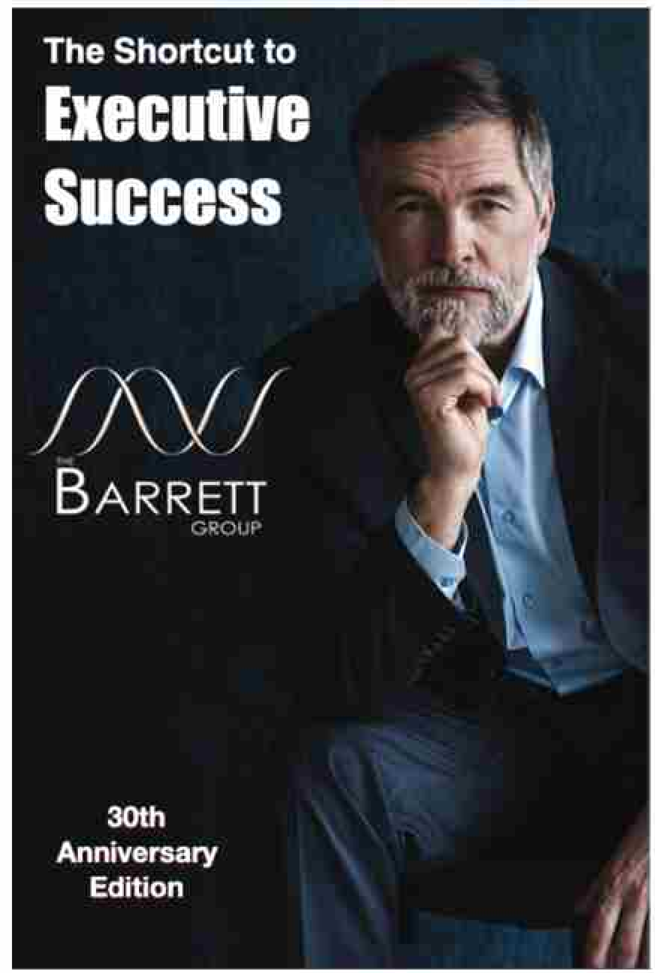
Career management also means being prepared to make career pivots. Long gone are the days when a person might retire with a gold watch from a lifelong career at one company. Nowadays, American workers stay with an employer four to five years on average and sometimes job transitions involve a shift between 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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Dynamic shifts and transformative forces often characterize the business landscape–especially in 2024 as political events, volatile markets, international conflicts, and fluctuating commodity prices roiled the world. Yet, the executive market demonstrated remarkable resilience throughout, yielding a continuous flow and high volume of executive opportunity in the form of job changes and newly created positions. As we move into 2025, these trends are accelerating, presenting both challenges and unique opportunities for executives across diverse sectors.

Several key trends are impacted executive opportunities:

- The continued recovery from the pandemic is reshaping consumer behaviors, driving growth in some sectors, while others face structural challenges.
- Normalization of supply chains is easing logistical hurdles but prompting some industries to restructure, even as a tendency toward protecting home markets fosters more on- and near-shoring.
- A shift towards interest income over deal-making impacted financial strategies over the past two years and required new executive skills, but the pendulum is rapidly swinging back toward deal-making in 2025.
- Government initiatives focused on infrastructure and onshoring are creating new avenues for growth, particularly in energy-related projects and manufacturing.
- The focus on renewable energy is spurring innovation and investment, necessitating a new kind of leadership within the energy sector.
- The rise of Artificial Intelligence (AI) is revolutionizing multiple industries, requiring executives to adapt and integrate AI into their strategic approaches and changing the requirements for executive management radically.
- The 2024 US Presidential election as well as realignment in European political blocks, will probably polarize corporate initiatives like DEI, deeply affect immigration policies, and impose or increase tariffs, all of which will add further complexity to executive decision-making.

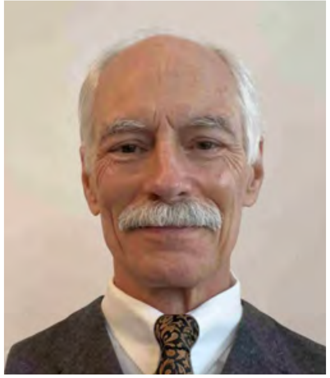
Specific industries are experiencing structural change. In Energy, despite a global agreement to transition away from fossil fuels, petroleum still represents a large portion of energy consumption and, while investments in clean energy are growing, the sector will likely be impacted by political agendas. Big Tech saw some companies like Apple experiencing a drop in sales while others like Microsoft, Amazon, and Meta continue to see considerable stock growth, driven in large part by AI.

E-commerce continues to take share from the bricks and mortar segment, with intuitive AI programs expected to accelerate the trend. There's growing support for female executives, though progress may be hindered by political controversy regarding DEI initiatives. Human Resources is seeing increased demand for AI-powered recruiting and DEI implementation. The Construction and Real Estate sectors are experiencing growth as mortgages become more affordable with residential real estate leading the way even as the commercial sector wrestles with the impact of virtual work.

The Manufacturing industry is expanding in most regions (except Germany), with a focus on smart solutions. Financial Services face challenges from declining interest rates, with diversified firms being more resilient. Marketing and Advertising, significantly influenced by AI, need to navigate a shift towards more ethical applications and a return to authentic messaging. The Leisure & Travel sectors are experiencing strong growth with a rise in tourism and a focus on sustainability, although staffing shortages are of concern.

Overall, these trends indicate a dynamic and rapidly evolving business environment, and executives must be adaptable and strategic to navigate these changes effectively and discover new avenues for growth. The political landscape, particularly a second Trump Presidency but also a move to the right in Europe not to mention significant realignment in the Middle East, will undoubtedly further influence these shifts. We hope you agree that the following pages offer detailed analysis and invaluable insights into the impacts of these and other trends with a particular focus on the women and men who make it all work–the world's executives

Marion Engelke
Chief Executive Officer



Peter Irish
Chairman

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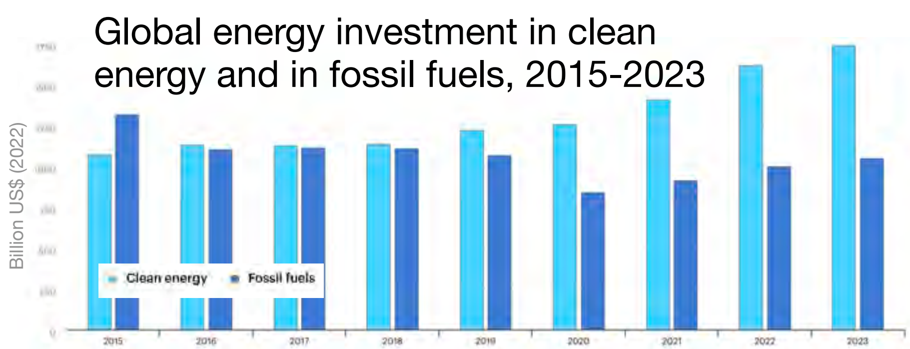
The increasing frequency of extreme weather events seems to be focusing public attention at last on the accelerating climate change humanity has inflicted on the planet for more than 100 years. Finally, a few important steps were undertaken at the latest COP28 meeting in 2023, the global body charged with avoiding climate catastrophe.

“Negotiations at COP28 concluded with the “UAE Consensus”. One notable element of which was the agreement on a global “transition away from fossil fuels in energy systems, in a just, orderly, and equitable manner, accelerating action in this critical decade, to achieve net zero by 2050 in keeping with the science.” This is the first time that fossil fuels have been collectively mentioned in a COP agreement…” [See Source.]

Another hopeful sign in 2023 was that greenhouse gas (GHG) emissions allegedly dropped (by 3%) for the first time in the US—the second largest emitter nation after China. [See Source.]

In fact, worldwide investment in “clean energy” has significantly outpaced investment in fossil fuels now for five years running according to the International Energy Administration (IEA) [See chart and Source.] who issued the following statement:



IEA (2023), World Energy Investment 2023, IEA, Paris https://www.iea.org/reports/world-energy-investment-2023, License: CC BY 4.0

““The transition to clean energy is happening worldwide and it’s unstoppable. It’s not a question of ‘if’, it’s just a matter of ‘how soon’ – and the sooner the better for all of us,” said IEA Executive Director Fatih Birol.” [See Source.]

Unfortunately, total carbon dioxide emissions from energy *increased* in 2023 to a record level of 34.4 billion metric tons. “Despite further strong growth in wind and solar in the power sector, overall global energy-related greenhouse gas emissions increased again,” said EI [Energy Institute] President Juliet Davenport. “We are still heading in the opposite direction to that required by the Paris Agreement.”

Expanding on this theme, Forbes provides these sobering insights:

“While renewable power expanded at record rates, fossil fuels maintained an 82% share of total primary energy consumption. Natural gas and coal demand stayed nearly flat with oil rebounding close to pre-pandemic levels. For reference, this is down from an 87% share in 2010. At that rate of decline, it would be nearly 200 years before fossil fuel consumption reached zero.” [See Source.]

Oil and gas companies clearly expect demand to continue, too, as M&A activity in the industry heated up in 2023. “The value of U.S. oil and gas mergers and acquisitions in the Permian basin this year has reached a record of more than $100 billion after several multi-billion dollar deals[…]” [See Source.] Specifically, Exxon Mobil, Chevron, Permian Resources, Civitas Resources, and Occidental all invested in firms active in the shale-oil rich region of Texas.

Even so as the recently enacted infrastructure investments roll out in the US, the Department of Energy points to a number of important climate change mitigation steps in 2023 including the launching of the first clean hydrogen hubs, historic investment in the electricity distribution grid, and progress in building a national electric vehicle (EV) charging network among others. [See Source.]

Indeed, renewables continue to take share. “Europe's power producers generated more electricity from wind than from coal for the first time in the last quarter of 2023, marking a key milestone for regional energy transition efforts[…] Europe’s utilities generated a record 193 terawatt hours (TWh) of electricity from wind sites in the

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October to December window in 2023 compared to 184 TWh from coal-fired power plants…" [See Source.]

This is all the more remarkable as wind generation suffered severe setbacks in 2023 due to labor, material, and financing hurdles [see Source], going so far as to cause the German government to provide support to Siemens in the form of an $8 billion loan guarantee due to enormous losses at the wind-power unit Gamesa. [See Source.] Another major player in wind, Ørsted, canceled a mega-project off the New Jersey, US shore saying, "Macroeconomic factors have changed dramatically over a short period of time, with high inflation, rising interest rates, and supply chain bottlenecks impacting our long-term capital investments…" [See Source.]

However, solar capacity in the EU continues to grow, too. "EU capacity additions in 2023 totalled 56 GW [GigaWatts], representing a 40% increase over the additions seen in 2022 and a new record number for the third year running…" This effectively expanded the region's solar capacity by 27% to 263 GW in 2023 against a target of 600 GW by 2030. [See Source.]

So what role do renewables play in Europe's energy supply economy and what is the trend?

In Europe as of 2021, the EU reports the following energy source breakdown: "petroleum products (34%), natural gas (23%), renewable energy (17%), nuclear energy (13%) and solid fossil fuels (12%)." [See Source.] Europe has also agreed to ambitious goals to change this mix: "The share of renewables in Europe is expected to keep growing. However, meeting the new target of 42.5% for 2030 will demand more than doubling the rates of renewables deployment seen over the past decade, and requires a deep transformation of the European energy system." [See Source.]

McKinsey suggests that the best way to accomplish this transition is to undertake these five steps:

- creating resilient, at-scale supply chains for key decarbonization technologies;
- building out the energy grid infrastructure to support resilience and reduce barriers to in-region renewables;
- reexamining land use, societal, and regulatory constraints to accelerate the development of renewables;
- redesigning power markets in line with decarbonization and affordability objectives; and
- ensuring the affordability of clean technologies to foster their adoption and accelerate the energy transition. [See Source.]

Herculean? You bet, but the benefit of getting it right, of course, is enormous—as is the risk of getting it wrong. However it happens, think of the executive change implied by this transformation! The energy industry will require a very different set of executive skills to succeed and that implies executive opportunity.

Before we examine the market for executive talent in this industry, let us briefly discuss another key region. While the Middle East will continue to be a major exporter of oil and gas for the foreseeable future, the region is not neglecting renewables.

"Owing to changing policies and increased support for sustainable energy, the Middle East plans to further increase renewable energy by 2024, with the goal of having 15% of the region's electricity coming from renewable sources by 2030." Saudi Arabia, for example, is investing $18 billion into the Sudair Solar Power Plant. [See Source.]

"Between 2010 and 2020, the region's clean energy capacity increased to 40GW, doubling in size, and it is expected to double once more by 2024. With significant investments in wind energy projects in Oman, Egypt, and Saudi Arabia, solar power—fueled by an abundance of sunlight in the desert—takes center stage." [See Source.]

So what does our energy future look like?

The IEA has a concise graphic we can share at this point (see next page) that highlights a number of key stages on our collective journey toward net zero emissions in 2050. [See Source]

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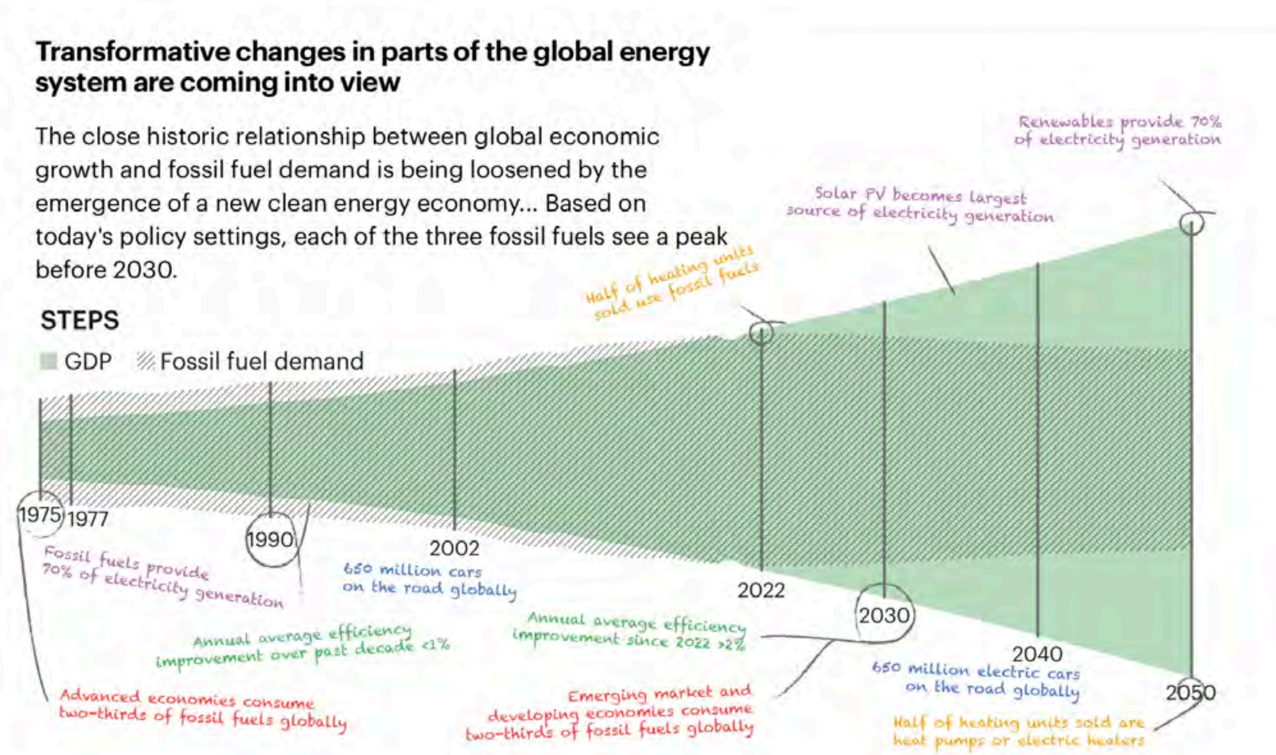


IEA (2023), World Energy Outlook 2023, IEA, Paris https://www.iea.org/reports/world-energy-outlook-2023, License: CC BY 4.0 (report); CC BY NC SA 4.0 (Annex A)

Energy generation *and* consumption both play key roles behind this ambitious plan, including renewables reaching a 70% share of electricity generation, the scaled use of heat pumps instead of the burning of fossil fuels for heat, and a mass migration toward electric vehicles.

Most likely, it will take even more than these measures to achieve net zero which is why other more radical ideas are coming under serious consideration, including carbon capture and geoengineering.

According to Wood Mackenzie, "Energy efficiencies, renewables and alternative fuels will not be enough to meet net zero by 2050 […] We need a huge amount of carbon to be captured out of our industries and the power sector to decarbonise the last miles that can't be easily reached by green electrification or alternatives." Intriguingly, there are already numerous active projects utilizing various carbon capture and storage approaches, particularly in the US due to the recent Inflation Reduction Act. "Currently, Wood Mackenzie is tracking globally planned CCUS capacity at 1,400 Mt CO2 Pa, across all types of projects – capture, transport and storage. The US leads in this activity with 33% of all projects." [See Source.] Apparently still more investment will be required though to achieve net zero.

Happily, it appears that not only governments are investing in emissions reduction, but private equity is active as well. PitchBook reports, "VC funding for companies in the voluntary carbon markets sector has accelerated at a rapid clip—from $100 million in 2017 to around $1.5 billion last year. Businesses that build infrastructure and services for the space , like Xpansiv and Aspiration, have been some of the biggest winners, along with certain credit producers like Climeworks." [Source: PitchBook's Daily Pitch, January 17, 2024.]

Other possible approaches offer alluring if still largely theoretical options including mitigating solar radiation in the atmosphere or even in space as well as a surprising array of more or less radical alternatives. [See Source.] Whether these strategies ever see the light of day remains open, but they have already spawned new industries such as the budding and fast-growing discipline of carbon accounting that will create an entirely new cadre of professionals who will help us know if we are making any progress toward our climate goals or not. [See Source.]

However this climate drama evolves, one thing is clear: there will be enormous change in this industry and that means opportunity for the executives willing to take on these new challenges. Let us now turn our attention to the people making this happen.

INDUSTRY UPDATE: Energy

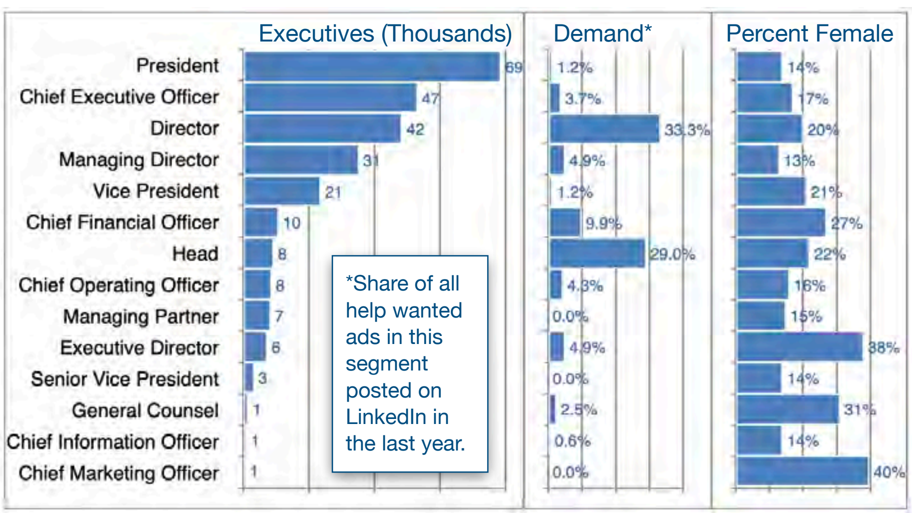
The Market for Executives

This year we have decided to include Director titles in the Industry Update series. Please see the Editor's Note for further details on our definition of "executive." In this Update, unless otherwise noted, the executive energy market includes the Oil & Gas segment as well as the Environmental Services and Renewables & Environment industry specifications.

In our target geographies some 251 thousand executives are active in this industry according to LinkedIn, a cohort that grew by 10% in the past year and saw another 3% change positions, implying that the total executive change in 2023 numbered approximately 32 thousand opportunities. This market is overwhelmingly male—just 18% of the executives are female—and the average tenure was relatively long at four years.

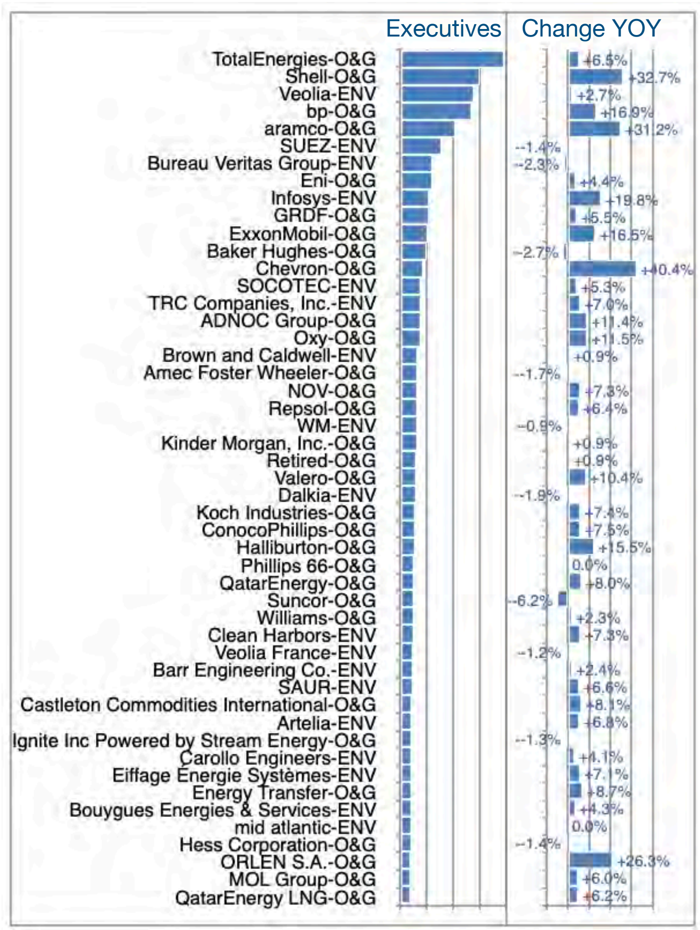
Comparing regional markets, the US and Canada accounted for about 144 thousand positions, up 11% YOY, the EU and UK another 85 thousand, up 8%, and the Middle East, 21 thousand, up 6%. Overall, LinkedIn rates hiring demand for this segment as high.

Chart 1: Executive Titles



Even as M&A activity accelerates, there continues to be a proliferation of smaller companies in this industry as demonstrated by Chart 1 where President and CEO titles dominate the ranking (a feature of a relatively unconcentrated industrial segment). Still, the hottest growth was not at the tip of the organization but in the Director (+33.3%) and Head (+29%) roles. Female executives in this industry continue to appear mainly in the Chief Marketing Officer, General Counsel, and Executive Director roles.

Chart 2: Executive Employers



As far as employers are concerned, Chart 2 provides an overview of the largest employers of executives in this space. Please note please the "O&G" or "ENV" designations appended to the employer name in the chart representing the principle focus of the firm in either oil and gas or environment and renewables.

Fossil fuel heavyweights Shell, Aramco, and Chevron all stand out with exceptional growth in the period due in part to acquisitions.

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Shell, for example, completed its acquisition of Volta, an electric vehicle charging network, as well as MIDEL, MIVOLT, BYD, all contributing to efficiency improvements or electric vehicle manufacturing. Saudi Arabia's Aramco acquired Valvoline (lubricants) in February and also took a stake in a Pakistani company "GO, a diversified downstream fuels, lubricants and convenience stores operator, […] one of the largest retail and storage companies in Pakistan." [See Source.] Chevron acquired Hess Corporation in October, adding significantly to its oil businesses in the western hemisphere.

Polish filling station operator Orlen S.A. also grew strongly in 2023 apparently through organic means.

Excluding the general industry designations (Oil & Gas, Renewables, etc.), Chart 3 examines the specific industry focus of these executives highlighting those that LinkedIn designates as having very high hiring demand (in the top half of the chart) versus those with a high hiring demand (in the bottom half of the chart). The actual number of executives is relatively modest so that rounding to the nearest thousand would render the data meaningless, however the bars at least illustrate the relative size of each specific industry's executive cohort.

Readers can easily pick out those with exceptional historical growth (Private Equity, Think Tanks, etc.). Of course, clients of the Barrett Group receive significantly more detailed data whether at the general industry screening stage, the specific company approach or interviewing stage, or even more granularly, intelligence on the hiring manager as may be helpful in the latter stages of a career change program.

Chart 3: Executives' Industrial Focus

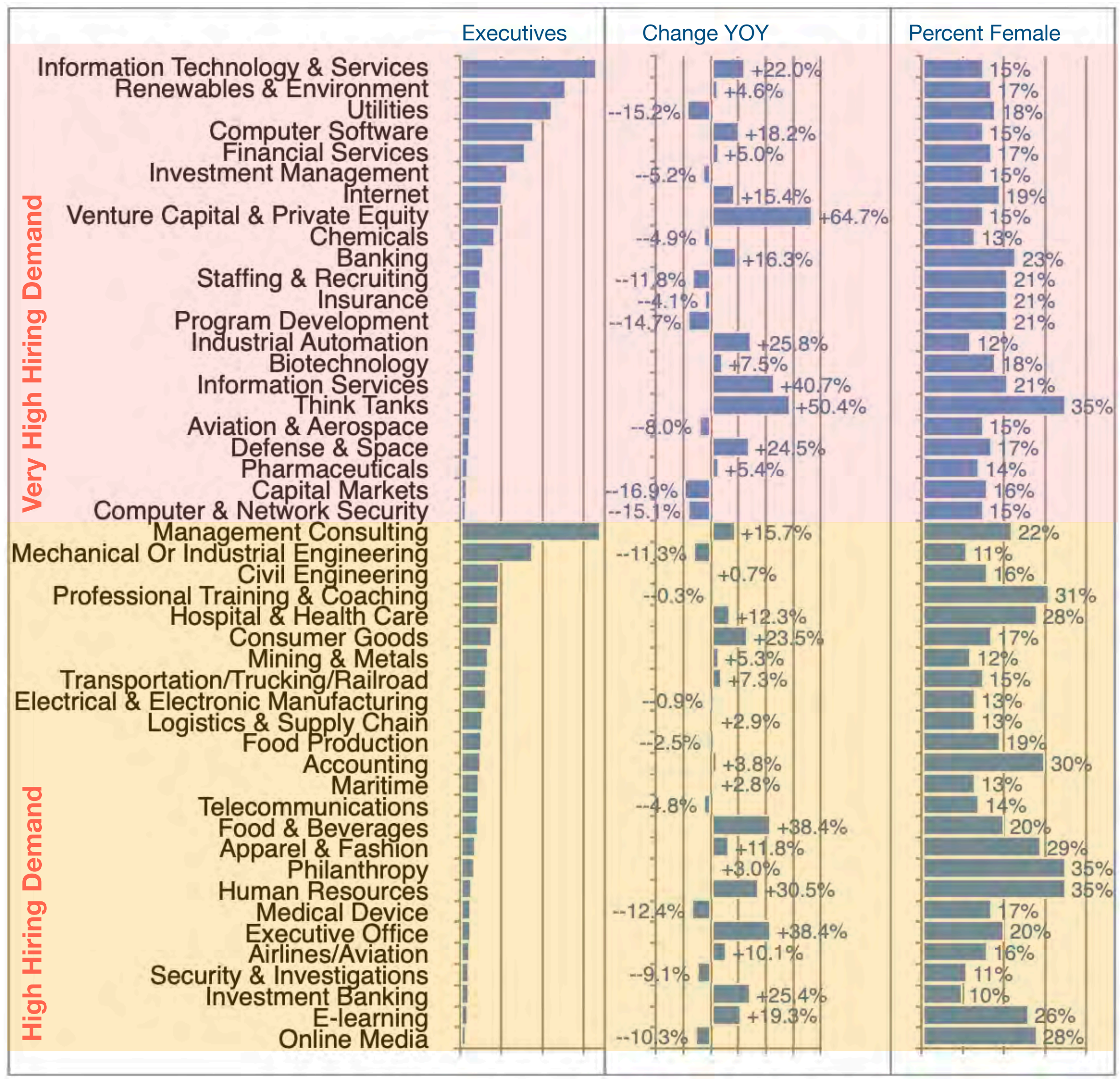

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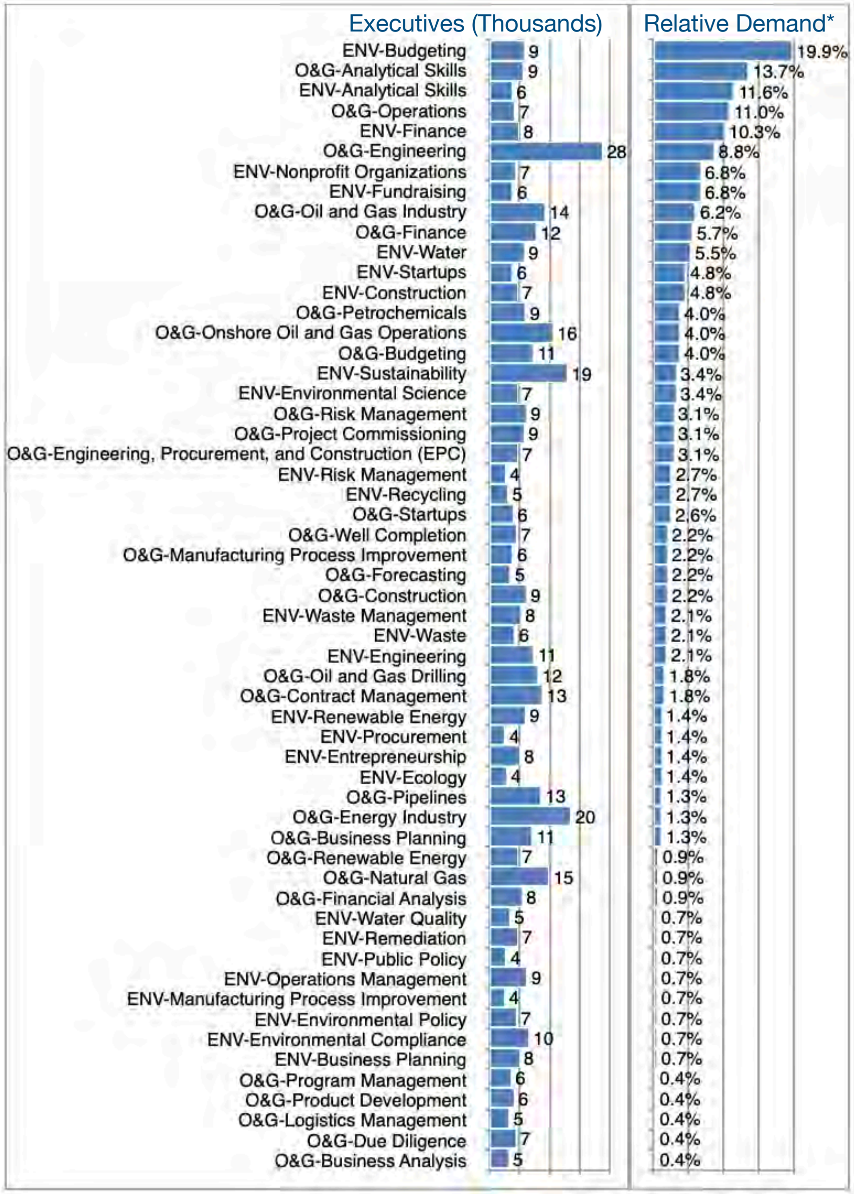
Chart 4: Executive Specializations



*Share of all help wanted ads in the specific industry segment posted on LinkedIn in the last year.

Many of the fast-growing segments in Chart 3 also lend themselves to industrial migration, i.e., executives moving from one industry to another—a specialty of the Barrett Group by helping clients to truly recognize and inventory their transferable skills so as to present themselves as highly qualified even in industries or roles they have never occupied before.

Beyond industry specializations, most executives on LinkedIn list skills or areas of special competence in their LinkedIn profiles. Chart 4 provides an overview of these ranked according to their relative demand within the two specific subsegments Oil & Gas vs. Renewables & Environment.

Clearly the quantitative and analytical skills competency is hotly in demand in this industry (Budgeting, Analytical Skills, and Finance). It seems, though, that there is a certain balance between the two subsegments in terms of demand with neither really dominating this chart.

Barrett Group Executive Client Success Studies

Kwasi Asare was director of corporate safety at a firm that provides construction, maintenance and engineering support to the energy industry. His job was eliminated during the pandemic. He had been 20 years at the same company and worried about the challenges of job seeking. By the end, though, he said, “Looking back, I should have left my former job a while ago. This whole experience really helped me take inventory of things in my career. For 20 years I never thought about leaving the company. I never tested the landscape. That’s horrible! If I had known years ago what I learned from TBG, it might have set my career path in a very different direction.” [Read More.]

Justin Kinney was senior manager of robotics at an American multinational that provides equipment, technologies, and expertise to oil and gas industry customers. He left because he felt management wasn’t providing the professional support he and his team merited. He ended up transitioning to a robotics company within the supply chain industry. [Read More.]

Continues…

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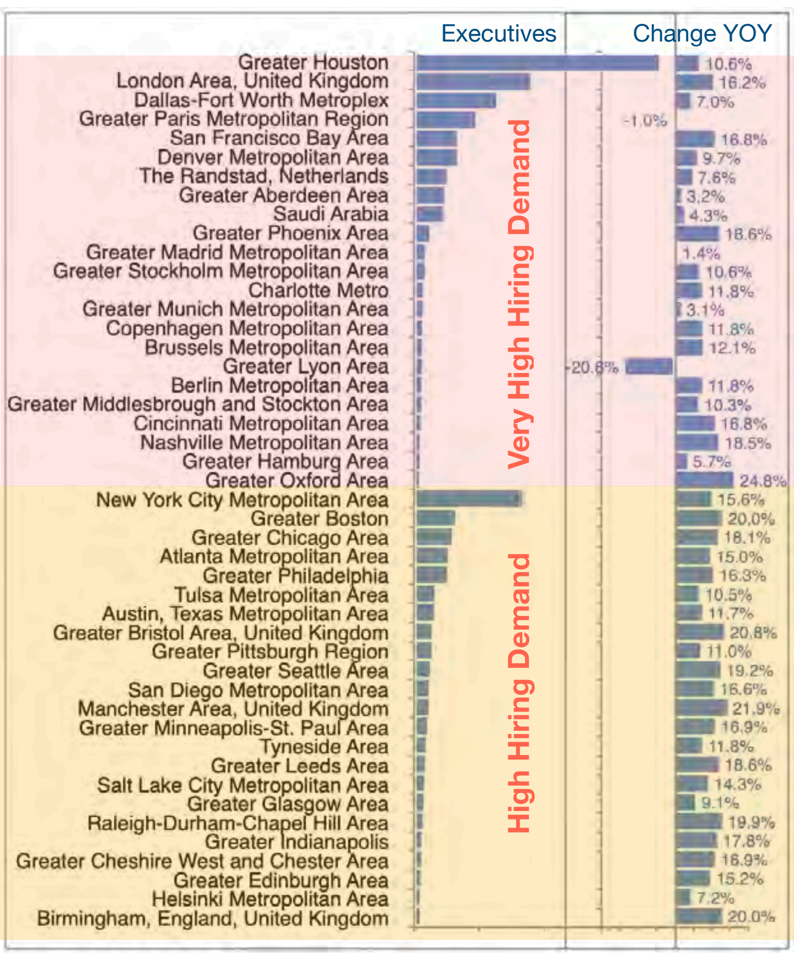
Chart 5 offers an overview of the locations where the most executives in this industry are employed grouped into those with the very high hiring demand per LinkedIn and those with (merely) high hiring demand. Naturally all of these locations show exceptional growth historically in addition to the somewhat predictive "hiring demand" evaluation. Only Paris and Lyon show a decline. In both of these cities Total is the largest employer in the cohort who shrank 7% in Lyon but grew 9% in Paris in 2023.

Chart 5: Executive Locations



Barrett Group Executive Client Success Studies

Derek Maxwell was global technical support manager of electrical, mechanical, marine and drilling systems for an industry-leading, offshore drilling company. The pandemic wreaked havoc on his industry and Derek got laid off. He'd spent 30 years in the oil and gas industry and thought he had little prospect of finding similar work. But his consultant had him cast his net wider. He ended up landing as senior manager of engineering and supply chain and site manager for a distribution center of a multinational retail corporation. [Read More.]

Arturo Núñez was a field test engineer at the beginning of his 22-year long stint at a large, East Coast provider of solutions that protect the integrity of critical industrial and civil infrastructure. By the end of it, he was coordinating two divisions and wearing two hats: senior manager of asset monitoring and substation reliability Center of Excellence manager. But he left because he didn't feel supported or appreciated. Eventually, Arturo got two attractive job offers and a potential third offer – all in the same week. He landed as R&D/ Innovation division director for a leading manufacturer of wire and cable used in the transmission and distribution of electricity. [Read More.]

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, President and Director 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: Big Tech

Big Tech

INDUSTRY UPDATE: Big Tech

Introduction

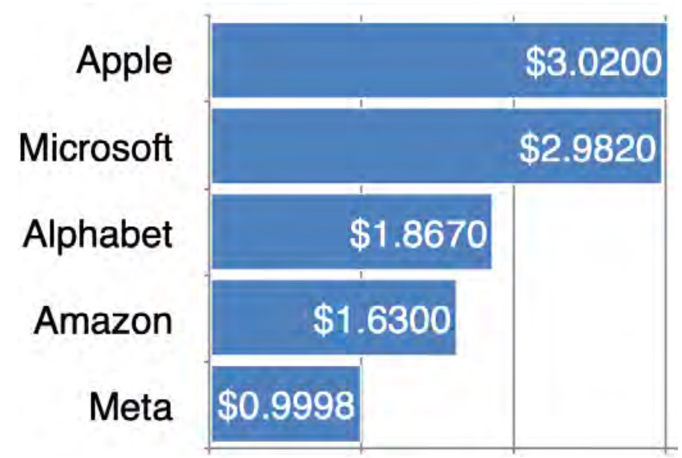
One could philosophize about what constitutes “Big Tech” or perhaps simply refer to the global market capitalization (share price x shares) of the tech companies and arrive at a pretty solid list. Admittedly, Chart 1 excludes the chip maker Nividia (rank 5, Market Capitalization of $1.484 Billion) because of its very specific manufacturing focus while the others are all focused on delivering B2C services and equipment for the most part. [See source.]

These companies (along with Nividia and Tesla) are so important in various stock indices, that the *Economist* recently mused that we should perhaps differentiate between the published S&P 500 index and the derivative “S&P 493,” i.e., without the “magnificent seven,” because in total these seven stocks account for almost 30% of the S&P 500 market capitalization [*Economist*, November 8, 2023, “Forget the S&P 500. Pay attention to the S&P 493”]. The risk is that the out-sized impacts of these behemoths in any given index masks the underlying performance of the other stocks.

Intriguingly, the executives who run these enormous companies comprise a minute share—just 0.08%, in fact—of the entire 11-million-strong executive population that the Barrett Group (TBG) follows (see Editor’s Note). Frankly, they are not even comparable among themselves with the effect that any comparison is of very unlike business propositions as readers will see in this Update. For example, Apple competes with Netflix, Disney and many others on content; with Samsung on mobile phone hardware and systems; with Lenovo, HP, and Dell among others on computers and laptops; and with Microsoft and Alphabet on software. Amazon competes with Microsoft, Alphabet, Alibaba, IBM and others in the cloud infrastructure market but also with Walmart, Target and others in the on-line retail market. Alphabet, Meta, Amazon, Microsoft, and Alibaba all compete for online advertising revenue. Apple and Microsoft also compete in the online gaming market, along with Tencent and Sony.

In short, what may most connect these diverse companies is their need for talent, specifically, executive talent. But before we delve into that subject, let us take a quick look at these competitors’ recent results.

Chart 1: Market Capitalization



US $Billions, January 23, 2024

In spite of a significant improvement in its stock value (circa +49%), Apple suffered lower sales in its fiscal 2023 period due to lower iPad (-3.4%) and PC/Laptop (-11%) unit sales, followed by a hiccup on its Apple Watch when new models were removed from stores in the US days before Christmas.

Apple also found itself having to diversify its supply chain away from China even as unstable and politically fraught Chinese demand may yet cause further turbulence. Still, Apple’s $383 billion in revenue and $97 billion in net income in 2023 indicate the company’s underlying rude health. [See source.]

Microsoft’s stock rose 63% since the beginning of 2023 according to Forbes (see source) driven by improved performance in its productivity and business processes unit as well as its intelligent cloud unit. Expenses overall declined, improving margins. Microsoft released its latest quarterly results on January 30, 2024: “Revenue was $62 billion in the three months that ended in December, up 18 percent from a year earlier. Profit hit $21.9 billion, up 33 percent.” [See source.] AI and gaming underpinned the improved performance. ChatGPT gives Microsoft a very strong leg up to lead this fast-growing market segment, not to mention how AI may improve Microsoft products going forward. [See source.]

Alphabet’s share price soared 58% in 2023, albeit after plunging 39% in 2022, rising in part due to an improving economy that increased ad spending and partly buoyed by general enthusiasm as AI drives investors’ behavior. Alphabet introduced its latest “Gemini” generative

INDUSTRY UPDATE: Big Tech

AI product in late 2023. "Gemini was tested on various skills, including audio and video understanding, natural image, and mathematical reasoning, "exceeding current state-of-the-art results on 30 of the 32 widely used academic benchmarks […] in large language model (LLM) research and development."" [See source.] Alphabet seems well poised to leverage advances in AI on its Google search, Google Suite, and other platforms, but it disappointed on ad revenues in its latest results [see source]. Could its dominance in search be in jeopardy?

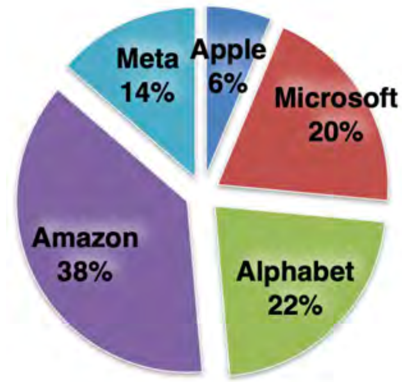
Amazon stock gained 81% in 2023, its best performance since 2015. Analysts expect an 11% increase in sales and very strong (+2,500%) earnings per share. While most advisors are rating the stock as a "buy" in 2024, there are a few concerns brewing. Can the AWS unit return to significant growth, for example, or is Amazon lagging in AI versus key competitors? In 2023 Amazon launched Bedrock, a software allowing developers to build AI in several language models, acquired Anthropic, a ChatGPT rival, launched a new improved chatbot for businesses, and generally evinced every ambition not to lag competitors. Holiday sales in its online retail division appear to have been strong, too, as overall industry sales surged 5% versus prior year during the holiday season. [See source.] The future may also hold significant regulatory hurdles for the company due to 17 US state attorneys general filing a major antitrust suit against Amazon.

Meta, parent of Facebook, saw its stock on track for a record performance (+178% as of December 18, 2023) for the year as its cost cutting of nearly 20,000 positions improved results markedly. [See source.] Even while Meta continued to invest in its future-oriented "metaverse" virtual reality offering (which lost an estimated $3.7 billion in the latest year), digital ad sales that had been plummeting turned positive. "[…] analysts estimate that e-commerce companies Temu and Shein, which both have roots in China, spent about $600 million and $200 million, respectively, on ads with Meta in the third quarter, leading to year-over-year growth of 44% from Asian advertisers." [See source.] Investment in AI has helped Meta improve ad targeting, data centers, and other processes, but competition from TikTok and YouTube is fierce, and Meta is also facing several lawsuits alleging the company's products are harmful and addictive to children.

Now let us examine the executives who make all of these results a reality.

The Market for Executives

Chart 2: Executives' Employers



Almost 9,000 executives as TBG defines them (see Editor's Note) list these companies as their employers on LinkedIn.

Keep in mind that we reported significant staffing reductions in our last Big Tech Industry Update (February 2023) as follows: Amazon (18,000; 1.2% of workforce), Alphabet (12,000, 6.4%), Meta (11,000, 12.6%), and Microsoft (10,000, 4.5%), although these reductions were across the board and not only the executive level. Apple had not announced any significant restructuring at that time.

From that lower net level 12 months ago this executive cohort apparently grew very differently at the various companies, ranging from a low of 0.7% at Microsoft to a high of 31% at Amazon. The average for the cohort was 15% growth YOY. Chart 2 explains what share of this group each company employs.

LinkedIn reports frequent, if not voluminous executive transfers between these players (and a few key others). This data changes continually, but here is a snapshot to illustrate the point:

	Apple	Amazon	Alphabet	Microsoft	Meta	Other (examples)
Apple		+1	+3	-1		+1 McKinsey
Amazon			-1 / +1	-5 / +1	+2	+3 Salesforce / -3 Chewy
Alphabet		-1 / +3	-4 / +5		+5	
Microsoft		-2 / +3	-1 / +3		-1 / +1	+9 Nuance Communications
Meta			-3 / +1			-1 / +1 Netflix

Explanation: For example, Apple acquired one exec from Amazon and three from Alphabet, etc. Variances arise depending on which affiliates are included or not.

INDUSTRY UPDATE: Big Tech

Restructuring in the tech industry is also likely to continue in 2024, though bear in mind that many of these adjustments will not be at the executive level. So far Microsoft, Alphabet, Amazon, and many others have already announced downsizing initiatives. [See source.] Some of these may well be attributable to efficiencies through artificial intelligence (AI) as the business press has speculated, but others are more related to on-going adjustments after over-hiring in the post-pandemic era and specific segment dynamics such as video content management and gaming.

Let us take a quick look at some of the key sector dynamics affecting this playing field:

Search may well be the number one way in which consumers interact with the web. One source lists 10 ways in which search is likely to evolve in 2024 including drivers such as “AI and Machine Learning enhancements,” “Voice Search and Natural Language Processing,” and “Site Search will support users through chatbots and conversational widgets.” [See source.] Another source predicts the predominance of “social search,” i.e., the use of social media to search instead of using the traditional web browser. Younger users’ search habits are distinctly different than baby boomers’, for example, focusing mainly on mobile search and utilizing TikTok, Instagram, Facebook, etc. far more intensively. [See source.] In fact, Forbes reports “Last year, the top search engine in the world, Google, reported that roughly 40% of Gen-Z is using TikTok and Instagram for search instead of Google.” [See source.] Clearly, these trends could indeed shift the search landscape going forward.

Advertising: “Ad spending in the Digital Advertising market is projected to reach US$740.3bn in 2024. The largest market is Search Advertising with a market volume of US$306.7bn in 2024. In global comparison, most ad spending will be generated in the United States (US$298bn in 2024). […] In the Digital Advertising market, 70% of total ad spending will be generated through mobile in 2028.” [See source.] PWC goes on to provide this succinct compilation:

- “The world of retail media—advertising on e-commerce sites and at retailers’ owned real-world assets—is growing rapidly. In the fourth quarter, Amazon reported US$11.6 billion in advertising revenues, up 19% from the year-before quarter, while Walmart’s Connect business generated US$2.7 billion in 2022.
- The platforms that capture the attention of the youth are seeing revenues explode. In late 2022, TikTok projected its ad revenues for the year to more than double, from US$4 billion in 2021 to US$10 billion.
- As gaming continues to grow as a medium, it is becoming the locus for a heightened level of advertising. In the 2021 Outlook, we charted for the first time the size of the in-app games advertising market. Coming in at US$54 billion in 2021, it is expected to more than double by 2026 to US$118.6 billion.
- According to the Outlook, connected TV advertising will rise from US$16.6 billion in 2022 to US$27.7 billion in 2026.
- As streaming companies encounter headwinds to subscriber growth, they are also starting to focus on advertising as a potential growth area. Netflix, for example, has launched an advertising business, centred around a cheaper, ad-supported tier that offers a lower monthly subscription price aimed at expanding the potential universe of subscribers.” [See source.]

Streaming represents a whole universe of competition as the OTT (“over the top media,” i.e., services bypassing cable and broadcast to deliver services directly via the internet) seems on track to deliver CAGRs of 29% through 2027 even as SVOD (“subscription video on demand”) will likely remain the largest segment for the time being while penetration continues to grow. Higher transmission speeds through 5G will further enable streaming growth. Over time access to quality content will increasingly drive consumer behavior. [See source.]

Gaming brings content generation, streaming, AI, and virtual reality together under one roof, making Meta’s investment in the metaverse or the pricey Apple Vision Pro headset, for example, more understandable. “The projected revenue in the Online Games market worldwide is expected to reach US$27.97bn in 2024. It is projected to have an annual growth rate (CAGR 2024-2027) of 5.20%, resulting in a projected market volume of US$32.56bn by 2027. By 2027, the number of users in the Online Games market is expected to amount to 1.2bn users.” [See source.]

In short, competition will heat up in 2024. Let’s look at the players.

INDUSTRY UPDATE: Big Tech

Executive Locations

Given the relatively small numbers of execs involved, TBG is not at liberty to publish specific head counts, however, we can note the share of total executives per location and the relative change of that population according to LinkedIn. Remember, too, that the downsizing at many of these companies took place early in 2023, so that the variation over the last year may well be against a reduced baseline. Overall, it does seem as if the most developed locations (New York, London, Paris, etc.) are tending to decline while other regions benefit. San Francisco took quite a drubbing in 2023 and remains a mixed picture. Los Angeles seems to be growing in all cases. Note that these high-level summaries are just that—high-level, but that TBG's clients have access to significantly more granular data as their career change programs progress.

Amazon	Exec Share	Change YOY
Greater Seattle Area	10.8%	+10.5%
New York City Metropolitan Area	3.6%	+27.8%
London Area, United Kingdom	3.4%	+27.1%
Washington DC-Baltimore Area	3.2%	+32.1%
Los Angeles Metropolitan Area	3.1%	+17.9%
San Francisco Bay Area	2.9%	+3.3%
Greater Bengaluru Area	2.0%	+20.8%
Greater Paris Metropolitan Region	1.7%	+48.6%
Singapore	1.5%	–2.0%
United Arab Emirates	1.5%	+6.8%
Greater Sydney Area	1.4%	+4.5%
Pakistan	1.4%	+41.9%
Greater Munich Metropolitan Area	1.2%	+17.6%
Greater Delhi Area	1.2%	+44.4%
Mumbai Metropolitan Region	1.1%	+8.8%
Ireland	1.1%	+45.8%
Bangladesh	1.1%	+36.0%
Nigeria	1.0%	+34.8%
Greater São Paulo Area	0.9%	+25.0%
Luxembourg	0.9%	0.0%
Greater Madrid Metropolitan Area	0.9%	+26.1%
Greater Tokyo Area	0.9%	+16.7%
Greater Milan Metropolitan Area	0.8%	–6.9%
Egypt	0.8%	+47.1%
Dallas-Fort Worth Metroplex	0.8%	+13.6%

Microsoft	Exec Share	Change YOY
Greater Seattle Area	24.3%	+1.0%
San Francisco Bay Area	3.9%	–4.2%
New York City Metropolitan Area	3.1%	+3.9%
Washington DC-Baltimore Area	2.7%	+4.4%
London Area, United Kingdom	2.1%	–11.9%
Singapore	1.9%	+6.7%
Beijing, China	1.8%	–8.8%
Los Angeles Metropolitan Area	1.7%	0.0%
Ireland	1.4%	+8.7%
Dallas-Fort Worth Metroplex	1.4%	+4.2%
South Korea	1.4%	–7.4%
Bangladesh	1.4%	+33.3%
Greater Bengaluru Area	1.3%	–4.2%
Atlanta Metropolitan Area	1.2%	+16.7%
Greater Chicago Area	1.2%	+11.1%
Greater Boston	1.1%	+18.8%
United Arab Emirates	1.1%	+11.8%
Greater Sydney Area	1.1%	–9.5%
Greater Paris Metropolitan Region	1.0%	–30.8%
Pakistan	1.0%	+13.3%
Miami-Fort Lauderdale Area	0.9%	–15.8%
Greater Toronto Area, Canada	0.9%	+7.1%
Greater Delhi Area	0.8%	–22.2%
Greater Hyderabad Area	0.8%	+18.2%
Denver Metropolitan Area	0.8%	+44.4%

Meta	Exec Share	Change YOY
San Francisco Bay Area	24.9%	/ -5.5%
New York City Metropolitan Area	7.6%	–7.4%
London Area, United Kingdom	5.4%	–8.7%
Washington DC-Baltimore Area	4.9%	–5.0%
Los Angeles Metropolitan Area	4.7%	+5.8%
Greater Seattle Area	4.6%	–13.1%
Singapore	4.0%	+6.8%
Ireland	2.7%	–13.5%
Austin, Texas Metropolitan Area	2.4%	–6.7%
Greater São Paulo Area	2.2%	+36.8%
Greater Sydney Area	1.1%	+8.3%
Greater Chicago Area	1.0%	–20.0%
Vietnam	0.9%	+57.1%
Greater Paris Metropolitan Region	0.8%	–18.2%
The Randstad, Netherlands	0.8%	+12.5%
United Arab Emirates	0.7%	–20.0%
Atlanta Metropolitan Area	0.7%	0.0%
Berlin Metropolitan Area	0.7%	0.0%
Bangladesh	0.6%	0.0%
Hong Kong SAR	0.6%	0.0%
Iran	0.5%	+200.0%
Greater Hyderabad Area	0.5%	+50.0%
Mumbai Metropolitan Region	0.5%	+500.0%
Tunisia	0.5%	+50.0%
Miami-Fort Lauderdale Area	0.5%	+20.0%

Alphabet	Exec Share	Change YOY
San Francisco Bay Area	16.7%	–1.3%
New York City Metropolitan Area	7.4%	–0.7%
London Area, United Kingdom	3.8%	+5.9%
Los Angeles Metropolitan Area	2.6%	+14.0%
Singapore	2.3%	+19.4%
Greater Seattle Area	1.7%	+13.8%
Bangladesh	1.7%	+37.5%
Ireland	1.7%	0.0%
Greater Chicago Area	1.7%	+10.3%
Washington DC-Baltimore Area	1.4%	0.0%
Greater Delhi Area	1.4%	+23.8%
Greater Paris Metropolitan Region	1.3%	+4.2%
Greater São Paulo Area	1.3%	+4.2%
Dallas-Fort Worth Metroplex	1.3%	+4.3%
Greater Toronto Area, Canada	1.2%	+9.5%
Vietnam	1.1%	+50.0%
Greater Boston	1.1%	+33.3%
United Arab Emirates	1.0%	+18.8%
South Korea	1.0%	+5.6%
Greater Sydney Area	1.0%	+28.6%
Greater Tokyo Area	0.9%	–10.5%
Ukraine	0.8%	+50.0%
Greater Bengaluru Area	0.7%	+7.7%
Atlanta Metropolitan Area	0.7%	+16.7%
Hong Kong SAR	0.7%	+27.3%

Apple	Exec Share	Change YOY
San Francisco Bay Area	25.6%	+7.0%
Bangladesh	3.4%	+12.5%
United Arab Emirates	2.8%	+7.1%
Los Angeles Metropolitan Area	2.6%	+7.7%
Shanghai, China	2.4%	0.0%
London Area, United Kingdom	2.4%	+30.0%
Greater Delhi Area	1.9%	+25.0%
New York City Metropolitan Area	1.9%	–9.1%
Singapore	1.5%	0.0%
Greater Sydney Area	1.3%	–12.5%
Greater Paris Metropolitan Region	1.3%	0.0%
Hong Kong SAR	1.3%	0.0%
Pakistan	1.1%	0.0%
Greater São Paulo Area	1.1%	0.0%
The Randstad, Netherlands	1.1%	+20.0%
Saudi Arabia	0.9%	+25.0%
Nigeria	0.9%	0.0%
Miami-Fort Lauderdale Area	0.9%	0.0%
Beijing, China	0.7%	0.0%
South Korea	0.7%	0.0%
Ireland	0.7%	0.0%
Pune/Pimpri-Chinchwad Area	0.7%	+100.0%
Vietnam	0.7%	0.0%
Washington DC-Baltimore Area	0.6%	+50.0%
Zhejiang, China	0.6%	0.0%

INDUSTRY UPDATE: Big Tech

Executive Titles

The same limitation applies here as to the small number of execs per title, however, readers can still recognize the relative importance of each title at each company as well as the relative change per title. Yes, Amazon apparently has a lot of CEOs. According to one source that is because the company empowers General Managers as "CEOs" in their respective business units and therefore has more than one hundred CEOs. [See source.] Otherwise, "Director" is the most widely distributed title.

A curiosity with Meta is the enormous preponderance of legal titles—53.8% of the executives are "Associate General Counsels." One explanation is that the company is involved in a lot of legal actions. [See source.] The company also apparently posted the majority of its help wanted ads this past year in support of legal roles according to LinkedIn, so the need is not purely historical.

Amazon	Exec Share	Change YOY
Chief Executive Officer	23.7%	+84.7%
Head	21.8%	+16.4%
Director	21.4%	+27.3%
Managing Director	9.3%	+28.8%
Vice President	6.6%	+14.5%
President	4.3%	+29.6%
Associate General Counsel	3.7%	+14.6%
Chief Financial Officer	1.9%	0.0%
Group Chief Executive Officer	0.9%	+30.4%
Chief Marketing Officer	0.7%	+9.1%
Managing Partner	0.7%	+4.3%
Chief Operating Officer	0.7%	-8.0%
Deputy Chief Executive Officer	0.7%	+22.2%
Senior Vice President	0.6%	-9.5%
Principal Chief Executive Officer	0.6%	+80.0%
Regional President	0.3%	0.0%
Chief Information Officer	0.2%	+33.3%
Co President	0.2%	+250.0%
General Counsel	0.2%	0.0%
Chapter President	0.2%	-28.6%
Country Managing Director	0.1%	0.0%
Assistant Chief Executive	0.1%	0.0%
Deputy Chief Financial Officer	0.1%	0.0%
Deputy General Counsel	0.1%	0.0%
Global Managing Director	0.1%	-50.0%

Microsoft	Exec Share	Change YOY
Director	36.8%	+1.3%
Managing Director	15.1%	-0.8%
Assistant General Counsel	7.8%	0.0%
Vice President	6.7%	+7.4%
Chief Executive Officer	6.0%	0.0%
Chief Financial Officer	5.3%	+3.4%
Head	4.5%	+1.3%
President	4.3%	+2.8%
Chief Operating Officer	4.0%	+1.5%
Chief Marketing Officer	3.1%	-10.2%
Associate General Counsel	1.6%	-9.7%
Managing Partner	0.9%	+7.1%
Global Managing Director	0.5%	0.0%
Senior Managing Director	0.5%	-10.0%
Deputy General Counsel	0.5%	0.0%
Senior Vice President	0.5%	0.0%
Chief Information Officer	0.3%	0.0%
General Counsel	0.3%	-16.7%
Deputy Chief Executive Officer	0.2%	+100.0%
Deputy Managing Director	0.2%	-20.0%
Group Chief Executive Officer	0.2%	+50.0%
Regional Chief Financial Officer	0.2%	-50.0%
Principal Chief Executive Officer	0.1%	+100.0%
Assistant Managing Director	0.1%	0.0%
Chief Human Resources Officer	0.1%	0.0%

Meta	Exec Share	Change YOY
Associate General Counsel	53.8%	-3.5%
Director	13.8%	+6.6%
Head	9.8%	+3.6%
Chief Executive Officer	7.5%	+74.0%
Vice President	5.3%	-8.8%
Managing Director	2.9%	-2.9%
President	2.3%	+22.7%
Chief Financial Officer	0.7%	-20.0%
Chief Marketing Officer	0.5%	0.0%
Group Chief Executive Officer	0.4%	+150.0%
Chief Information Officer	0.4%	+25.0%
Deputy Chief Executive Officer	0.3%	+33.3%
Managing Partner	0.3%	-20.0%
Group Managing Director	0.3%	0.0%
Global Managing Director	0.3%	-25.0%
Chief Operating Officer	0.3%	0.0%

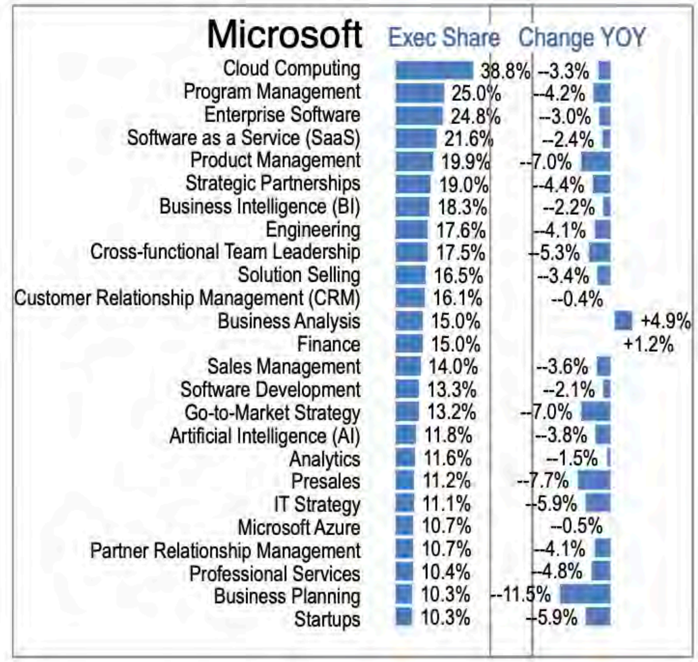
Alphabet	Exec Share	Change YOY
Director	25.1%	+14.8%
Head	22.6%	+9.8%
Managing Director	14.8%	+11.6%
Chief Executive Officer	12.2%	+54.0%
Vice President	9.6%	+14.6%
President	3.9%	+12.1%
Global Managing Director	2.6%	+11.1%
Chief Financial Officer	1.3%	-13.8%
Senior Vice President	1.3%	+14.3%
Chief Marketing Officer	1.2%	+10.0%
Chief Operating Officer	1.0%	+5.9%
Group Chief Executive Officer	0.7%	+40.0%
General Counsel	0.5%	-23.1%
Chief Information Officer	0.5%	-10.0%
Principal Chief Executive Officer	0.5%	+28.6%
Managing Partner	0.4%	0.0%
Assistant General Counsel	0.3%	+20.0%

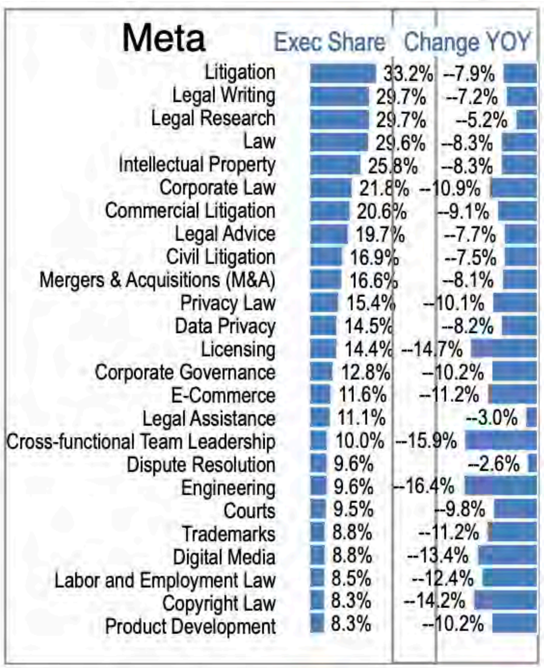
Apple	Exec Share	Change YOY
Director	46.5%	+8.3%
Managing Director	14.0%	+8.7%
Head	12.9%	+9.5%
President	10.3%	+7.8%
Vice President	8.2%	+2.3%
Chief Financial Officer	1.7%	-10.0%
Managing Partner	1.1%	-14.3%
Senior Managing Director	0.7%	0.0%
Associate General Counsel	0.7%	0.0%
Senior Vice President	0.7%	+100.0%
Chief Marketing Officer	0.6%	+50.0%
Chief Information Officer	0.4%	0.0%
Chief Operating Officer	0.4%	0.0%

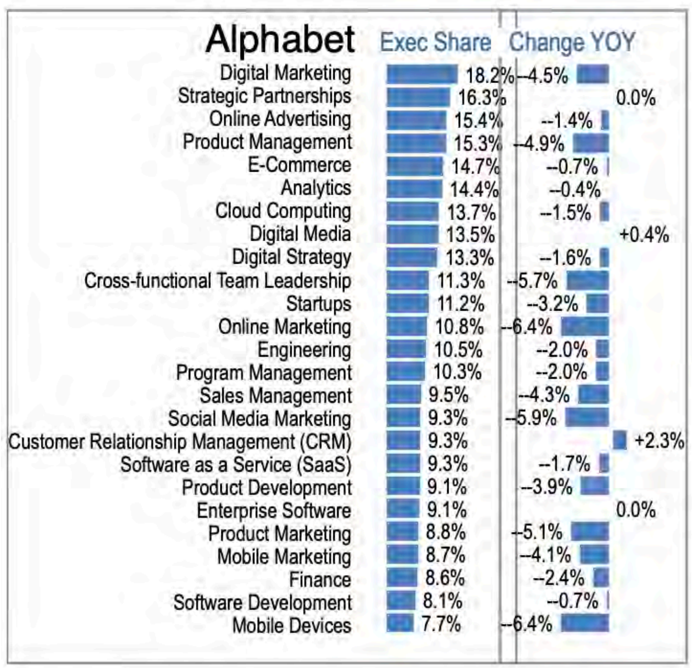
INDUSTRY UPDATE: Big Tech

Executive Specializations

While the expected categories such as Cloud Computing and Software Development are present at most of these players, they are not the fastest growing skills. Even Artificial Intelligence at Microsoft shows a reduction in executives according to this data. Business Analysis does well at Amazon and Microsoft, and Apple remains heavily focused on engineering, while the emphasis on legal skills remains clear for Meta. As usual there are many skills represented here that are relatively generic offering opportunities to transition into or out of these companies for entrepreneurial executives eager for change. Please note that most executives list more than one specialization.







INDUSTRY UPDATE: Big Tech

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, President and Director 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 one billion users in 200 countries. (See source) It is by far the largest and most robust business database in the world, now in its 21st 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.

Apple's data does not list any affiliates.

Amazon's included affiliates: Amazon, Amazon Web Services (AWS), Whole Foods Market, Twitch, Amazon Business, Amazon Fulfillment Technologies & Robotics, Amazon Lab126, Prime Video & Amazon Studios, Audible, Amazon Development Center Poland, Ring, Zappos Family of Companies, Souq.com, Amazon Music, Amazon Games, IMDb.com, AWS Elemental, an Amazon Web Services Company, Shopbop, CreateSpace, Goodreads, eero, Woot, Inc., A9.com, Annapurna Labs, Brilliance Publishing, Quidsi Inc., a subsidiary of Amazon, AbeBooks, an Amazon company, Veeqo, Comixology, an Amazon company, Curse, AWS for Games, Alexa.com, LOVEFiLM, D. Cloostermans-Huwaert, Audible GmbH, AWS Thinkbox, Amazon | Liquavista, Casa.com, Whole Planet , BeautyBar.com, 2lemetry (Acquired by Amazon), Immedia Semiconductor, CANVAS Technology - Acquired by Amazon, Whole Kids Foundation, CloudEndure, Sell on Amazon, Whole Cities Foundation, Justin.tv, Graphiq Inc., Sqrrl, IGDB.com, Soap.com, Wag.com, INLT, WHOLE FOODS MARKET PACIFIC NORTHWEST INC, Biba Systems, Inc, Rooftop Media, YoYo.com, DataRow, Carrboro Coffee Company, TSO Logic, Instameme , dispatch.ai, LOVEFILM UK LIMITED, and ParcelBright.

Microsoft's included affiliates: Microsoft, LinkedIn, GitHub, LinkedIn China 领英中国, Revolution Analytics, Skype, Playground Games, Lynda.com, Obsidian Entertainment, Metaswitch Networks, Undead Labs, inXile entertainment, LinkedIn Pulse, Compulsion Games, Studios Quality - Xbox Game Studios, M12, Microsoft's Venture Fund, InMage Systems, Xamarin, Yammer, Inc., Glint, Flip, Bonsai, SMART GLASS, Solair, Parature, Avere Systems, Drawbridge (acquired by LinkedIn), npm, Inc., Bright.com, Colibria, Microsoft Game Dev, Bizo, Advance Technology Solutions, Lumenisity Limited, Event Zero, Semantic Machines, FieldOne from Microsoft, Softomotive, Citus Data, Lobe, Cycle Computing, Adallom, AÉROPHOTO, AltspaceVR, Careerify (Acquired by LinkedIn), Perceptive Pixel, Prodiance, FSLogix, Inc., Rapportive, Deis, Inc, Beam Interactive, Inc, Newsle, Connectifier, Inc., Netbreeze GmbH, PointDrive, BlueStripe Software (wholly owned subsidiary of Microsoft), Shanghai MSN Network Communications Technology Company Limited, Metanautix, Softmotion Networks, Code Connect Inc., The POS Experts, BI Consultant for Hire, Datazen Software, 6Wunderkinder, We Created It (acq. LinkedIn), Aorato, Incent Games, Inc., RoboVM AB, Chalkup, APIphany, XOXCO, Vidku, VoloMetrix, Regidelta S.A., AlwaysOn IT Consulting, LLC, and Wand Labs, Inc.

Meta's included affiliates: Meta, Facebook, Instagram, WhatsApp, Oculus VR, Meta for Work, Hot Studio, Unit 2 Games (a Meta studio), BigBox VR, Sofa B.V., WaveGroup Sound, QuickFire Networks, Onavo, Monoidics Ltd, Carbon Design Group, Ozlo Inc., 13th Lab, InfiniLED, TheFind, Inc., MailRank, Confirm.io (Acq Facebook), spaceport.io Inc., Wit.ai, Gowalla Incorporated, Bloomsbury AI, threadsy, AI at Meta, Mobile Technologies (Acq. by Facebook), SportStream, Inc., osmeta Inc., Acrylic Software, Eyegroove, GrokStyle (acquired by Facebook), rel8tion, and Nascent Objects (now part of Facebook)

Alphabet's included affiliates: Alphabet Inc., Google, YouTube, Fossil Group, Inc., Waymo, Google DeepMind, X, the moonshot factory, Verily, Titan, Google Fiber, Kaggle, Wing, Photomath, Waze, Intersection Co., Calico Life Sciences, Qwiklabs, ITA Software by Google, CapitalG, Mineral.ai, Sidewalk Labs (Part of Google), Onduo by Verily, Channel Intelligence, Loon, Adometry (acquired by Google), SignalPath, Global IP Solutions, BeBop Technology, FOSSIL ITALIA SRL, Tenor, Lytro (Acquired by Google), Fossil (East) Limited, Bump Technologies (acquired by Google), Montres Antima SA, Fossil Japan K.K., Fossil UK Ltd., DevOps Research and Assessment (DORA), Social Status, Jibe Mobile, Bot & Dolly, Klipmart, Divide™, Anvato, Fossil France SA, Fossil Switzerland GmbH, Cask Data (acquired by Google), BandPage, WIMM Labs (acquired by Google), Apportable, Baarzo (acquired by Google), Directr, Appurify, Inc. (Acquired by Google), Panoramio, AppBridge, Athena Wireless Communications Inc., Talaria Technologies, Joyride, Inc, Urban Engines, Moodstocks, BufferBox, Meka Robotics, Clever Sense, Inc., Autofuss, FFlick, Fabric inc., Agawi, RightsFlow, Doubleclick International Internet Advertising Limited, Pittsburgh Pattern Recognition, Inc., Redwood Robotics, drawElements, Emu Messenger, Limes Audio, Quest Visual, Inc., Vidmaker, Incentive Targeting, Inc. (acquired by Google), SlickLogin (acquired by google), Red Hot Labs, GoogleNewsSubmit.com, Fly Labs Inc., Synergyse, Industrial Perception, Inc., Stackdriver, and Green Throttle Games, Inc.

e-Commerce

INDUSTRY UPDATE: eCommerce

Introduction

In 2024 almost two-thirds of the earth's 8 billion people use the internet—a ratio that has doubled in the past ten years—so it is no wonder that on-line shopping has also become so ubiquitous. [See source.] With that growth in penetration has come lofty consumer expectations regarding on-line shopping to the point that, today, many consumers actually expect a personalized experience—curated to their needs and preferences. We will explore some of the trends and technologies enabling and even driving the fulfillment of consumers' rapidly evolving demands, but first let us consider the size and trajectory of the eCommerce sector.

Worldwide, retail eCommerce sales are now expected to reach $4.1 trillion in 2024, up from $2.2 trillion in 2019, with a forecast of $6.5 trillion by 2029—59% higher than this year. Food tops the list of major categories at $0.68 trillion today but with a projected value of $1.23 trillion by 2029—up 88%. Fashion ($0.77 trillion today, $1.18 trillion forecast in 2029) is also expected to grow exceptionally by some 53%. DIY and hardware, media, furniture, consumer electronics, beverages, beauty and personal care, household appliances—the list of categories enjoying exceptional growth via eCommerce is long and varied. [See source.]

> *Internet sales have played an increasingly significant role in retailing. In 2023, e-commerce accounted for over 19 percent of retail sales worldwide. Forecasts indicate that by 2027, the online segment will make up close to a quarter of total global retail sales.* [See source.]

The phenomenal growth in the sector is geographically diverse as well. In the US, eCommerce sales total $1.2 trillion today with an expected $1.8 trillion by 2029. Europe accounts for about $0.633 trillion in 2024 with a projection of just under $1 trillion by 2029. The Middle East adds another $0.14 trillion today and is expected to almost double to $0.27 trillion by 2029. Although we will not address it further in this Update, the single largest eCommerce market is undoubtedly China at $1.5 trillion in 2024, so it is no wonder that major Chinese players such as Schein and Temu are busily entering these other regional markets to participate in the sector's expected growth. [See source 1, source 2, source 3.]

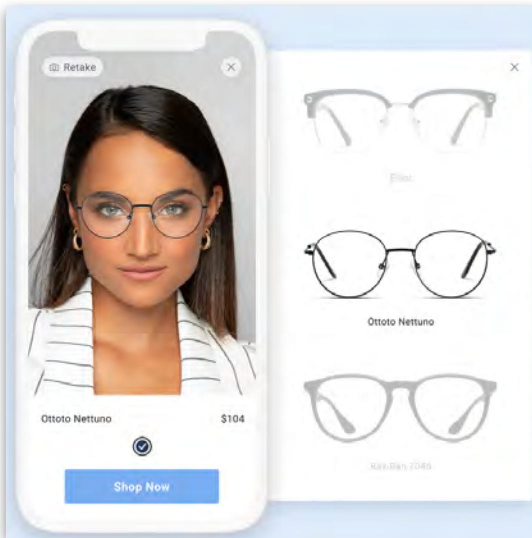
In the US in 2023, Amazon dominated the eCommerce retail scene with approximately 38% of sales revenue, followed by Walmart (6.4%), Apple (3.6%), eBay (3%), Target (1.9%), The Home Depot (1.9%), Costco (1.5%), BestBuy (1.4%), Carvana (1.4%) and Kroger (1.3%). [See source.] In Europe, here are the largest eCommerce retailers ranked by their estimated European 2023 sales in billions of Euros: Amazon (53), Apple (8.7), Schein (8.4), Temu (7.2), Ikea (6.3), Otto (4.2), H&M (3.9), Trendyol (3.4), Bol (2.9), and Zalando (2.2). [See source.] Beyond Amazon, the list of top players in the Middle East is less well known, including players such as Noon, Daraz, Desertcart, etc. For a list of the regional top ten see this source.

Clearly, the convenience of on-line shopping is one of its major drivers, though the lower overall inventory needs enjoyed by on-line versus bricks and mortar retailers adds up to significant benefits in terms of working capital. And eCommerce players are hardly asleep at the wheel. Instead, they are investing and innovating at a breakneck pace. Here are some of the important trends focused on meeting consumers' needs while also stoking their enthusiasm:

- Augmented reality brings the in-store experience on line
- Turning up the volume with voice search
- AI helps solve customer pain points
- Harnessing customer data for personalized shopping experiences
- Chat marketing humanizes the digital experience
- Mobile shopping is still on the move
- Closing the sale with flexible payment options
- Composable commerce drives digital innovation
- Shopping goes social
- Subscriptions keep customers coming back
- Sustainability becomes top of mind
- B2B shoppers expect a modernized shopping experience [See source.]

We can hardly explore all of these innovations in this Update, so below we have selected a few nuggets to illustrate these trends.

Virtual try on (VTO) is wonderful for consumers, allowing would-be buyers to see themselves in clothing, hats, glasses, etc. from the comfort of anywhere (thanks to mobile apps). It is apparently also very challenging technically, requiring agile and subtle adjustments to image resolution while still holding onto the shape of the consumer's body or face as a sort of stencil around which the product can be wrapped or otherwise applied. [See source.]



In the meantime, beyond clothing, multiple categories have added virtuality to their consumer experience including eyeglasses (see example), cars (see example), realtors (see example), and many others. So far, most of these interactions do not require special equipment as they merely augment reality (combining virtual and real imagery, for example), but there is a subset that necessitates virtual reality (VR) headsets to approach a more immersive experience.

Here's how one industry enthusiast sees the near future as we begin to blend augmented and virtual reality:

> In 2024, AR is expected to contribute significantly to the metaverse by allowing users to overlay digital content in their real-world environments. This integration will enable users to engage in social activities, attend virtual events, and collaborate with others in previously unimaginable ways. [See source.]

What about voice search? How will that evolve in the near term and what does that mean for eCommerce?

In a nutshell, voice assistants are getting smarter very quickly thanks to artificial intelligence (AI). As one example, ChatGPT rolled out enhanced voice interaction capabilities to subscribers in September 2024. "The new features will allow you to either engage in voice conversations with the chatbot or share images to express your thoughts, rather than relying solely on typing out prompts. […] ChatGPT's ability to create synthetic voices and images spell huge creative opportunities, however, they also have some concerning potential uses, such as impersonation and fraud, according to OpenAI. These risks could have huge implications for advertisers." [See source.]

Lastly, let's touch on social shopping:

> *Projected to hit a $1.2 trillion market value by 2025, social commerce enables businesses to sell products and services directly on a social platform (indirect social commerce also enables businesses to drive buyers to their site through social content). With nearly 5 billion users worldwide, that presents a unique chance to establish direct connections with customers and drive significant revenue.* [See source.]

Trust and annoyance remain substantial barriers to the success of this potentially invasive use of social media, however, these vary markedly by age group. One particular recent study…

> *"[…] found that social media more broadly had a big impact on younger shoppers, with more than 80% of Gen Z, and 74% of millennials, influenced by social media in their shopping. These numbers drop significantly when compared to Generation X (58%) and Baby Boomers (41%). In particular, Gen Z is much more influenced by Instagram (44%), Snapchat (21%) and YouTube (32%) than other generations. Millennials, second in each of these categories, matches up at 21%, 11% and 22% respectively, demonstrating how much of an impact social media has with the emerging consumer base.* [See source.]

Some readers may remember when our only advertising channels were print, radio, or TV. Now the marketing to today's fragmented *and* highly differentiated audiences is becoming so complicated that perhaps only AI can figure it out in real time.

Still, all of this positive momentum in eCommerce means opportunity also for the women and men who make it happen, so let us now turn our attention to the executives who will define how and what AI will do next time you search for something on your phone.

The Market for Executives

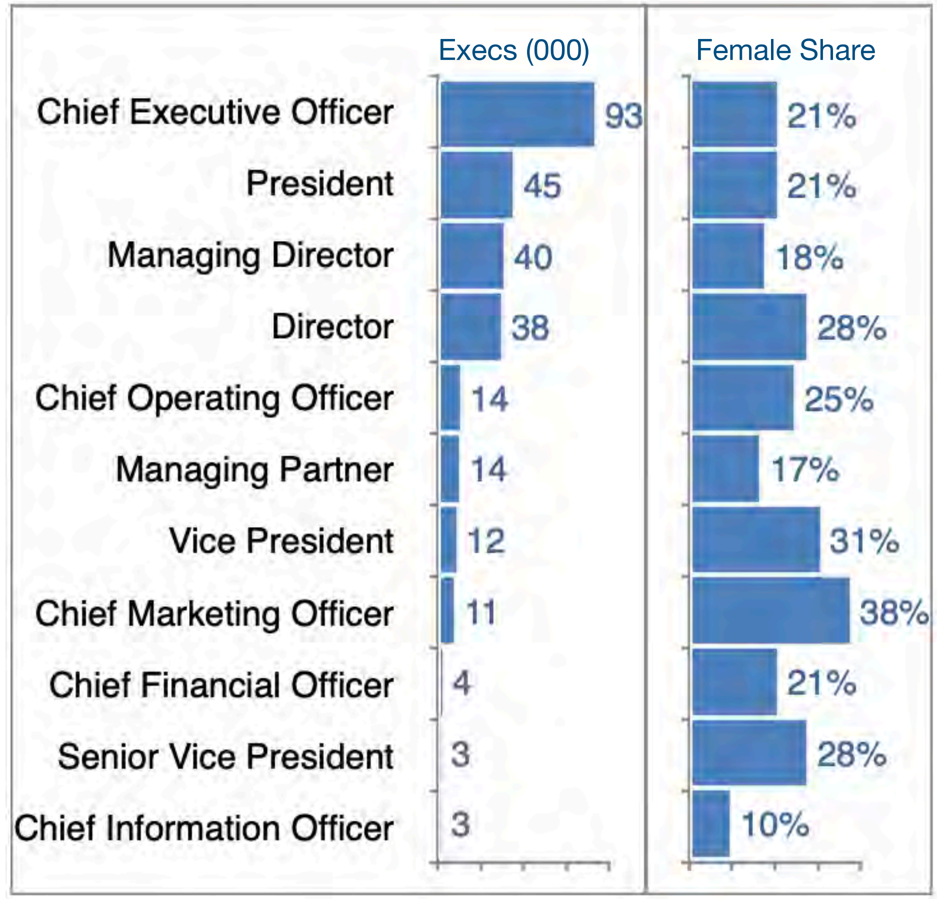
In total about 271,000 executives as we define them (see Editor's Note) have highlighted eCommerce as a key skill on LinkedIn, up 7% year over year (YOY). A further almost 18,000 changed positions in the past year, so the overall executive opportunity in this sector totals about 35,000—13% of the current total population. Comparatively, this is a rather high proportion which suggests that there is a lot of executive movement in this industry.

Some 49% of this executive cohort (134,000) resides in the US and Canada, up 5% YOY, while 45% (124,000) can be found in the EU & UK, up 8%, and the balance of almost 14,000 execs in the Middle East has grown by a whopping 14% in the past year. LinkedIn rates the entire market for these executives as having high or very high hiring demand. Unfortunately, female executives are underrepresented in this industry, making just 23% of the total.

Of course there are also large companies in the space as we will see later in this Update, but on balance the sector is populated by smaller, flatter organizations as is clearly visible in Chart 1 by comparing the number of CEOs to the number of VPs. No one would need so many CEOs if the business were concentrated in a small number of firms. As far as executive opportunity is concerned, the high fluctuation we noted above must necessarily be happening toward the top of the organization given the C-level's share of the total executive population. Unsurprisingly, female executives predominate in the CMO, VP, SVP, and Director roles.

Chart 2 opens up the subject of which industries employing eCommerce are hiring the most executives in this space. Advertising

Chart 1: Executive Titles



Services ranks number one but the segment also shrank in the past year. Contrast that with the heady growth exhibited by the next three: IT Services and IT Consulting (+9.1%), Software Development (+14.1%), and Technology, Information and Media (+20.8%).

Per our Introduction, Retail displayed strong results, too, at +19.2%, as did Retail Apparel and Fashion (+24.1%), Motor Vehicle Manufacturing (+24.5%), and Entertainment Providers (+26.8%) although Venture Capital and Private Equity Principals (+37.3%) and

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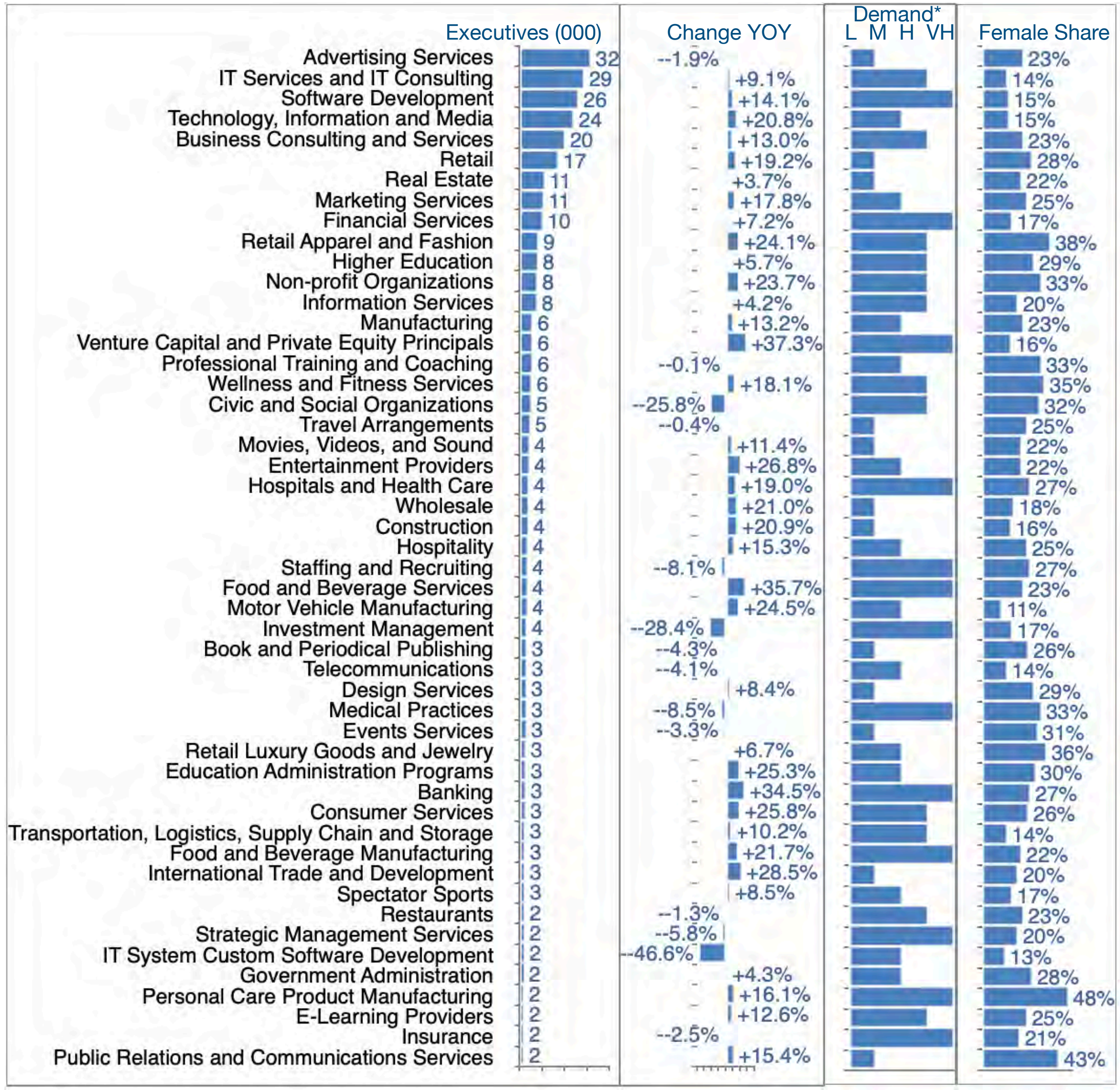
Food and Beverage Services grew the fastest (+35.7%). Some segments are also shrinking, such as IT System Custom Software Development (-46.6%), Investment Management (-28.4%), and Civic and Social Organizations (-25.8%).

Of course, this data is historical, but LinkedIn also provides a forecast perspective about future "hiring demand" which varies considerably from past performance. Take Financial Services, for example. With just average growth of 7.1% this segment hardly stands out until one notices that it also exhibits very high hiring demand. Note that this future demand may be in response to a lack of qualified talent, underlying growth, expected growth, or even industry mechanics such as major mergers, fusions, and/or acquisitions.

In fact, many industries in Chart 2 predict very high hiring demand. We cannot really go into the underlying mechanics in this high-level document, but Barrett Group (TBG) clients receive substantive research support during their career change programs that enables them, for example, to screen a segment to identify the best target companies, or prepare for a specific interview with a deep dive on the target employer—all the way down to a profile of the interviewing executive.

While female executives achieve a modest share of all positions in this segment, there are some industries that stand out. Per Chart 2, Personal Care Product Manufacturing shows the highest share of female execs at 48%. Public

Chart 2: eCommerce Executives' Top Industries



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

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Relations and Communications Services (43%), Retail Apparel and Fashion (38%), Retail Luxury Goods and Jewelry (36%), Wellness and Fitness Services (35%) also stand out in this regard.

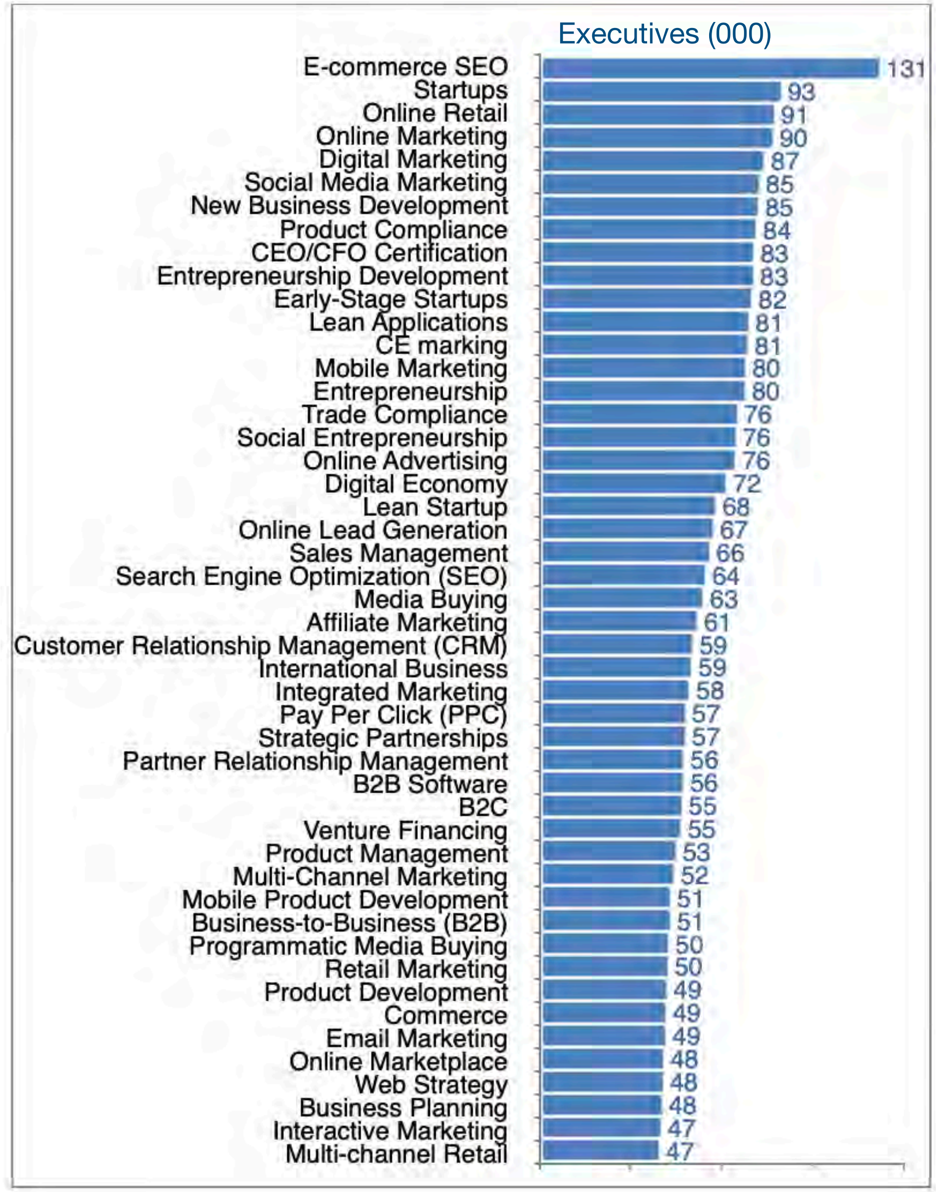
Beyond the question of what title an executive has or what industry he or she serves in, one could reasonably wonder, what does the executive actually do? LinkedIn provides a perspective on this by citing the specializations that execs list, though, of course, most will list more than one special skill. Chart 3 offers an overview of these whereby SEO (search engine optimization) still reigns supreme by a sizable margin, both as it directly applies to eCommerce (131,000) and more generally (64,000). Why is this so important?

> *By leveraging SEO, you can make your website more visible. The #1 result in Google's organic search results has an average CTR [click through rate] of 27.6% (compared to second and third-ranking results getting 18.7% and 10.2%), according to Backlinko research. So, getting that top spot or a place on Google's first SERP page means more traffic and more opportunities for you to convert prospects into customers.* [See source.]

Editor's Note:

In this 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, President and Director 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 1 billion 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.

Chart 3: eCommerce Executives' Specializations



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As background to Chart 3, the Harvard Business School Online recently highlighted the incredible impact of digital marketing saying, “These technologies completely changed the way consumers connect with brands, how they search for information, and how they buy products[…] They’re the reason digital marketing has become an integral and important part of every company.” The same source went on to list these five top skills as critical to success in digital marketing: Technology Proficiency, Data Analysis, Search Engine Marketing, Search Engine Optimization, Brand Development, Email Marketing, and Social Media [see source.]

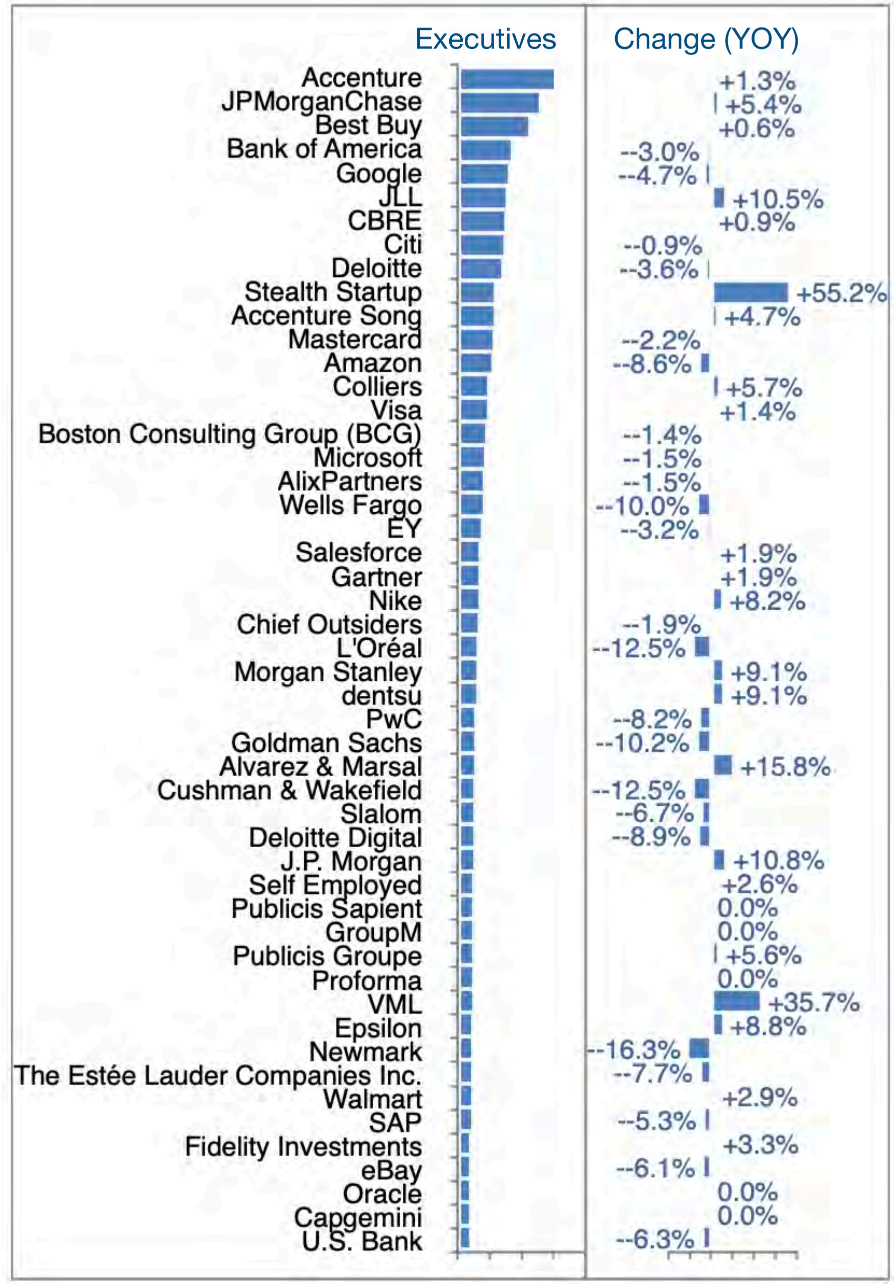
All of these are represented in the specializations listed in Chart 3, though the relative frequency of many niche disciplines may be interesting for those planning to enter this field. Of course, AI is likely to change this landscape as well. “One of the most interesting and useful applications of AI in automation is for ad targeting. For example, dog food company, tails.com used Google’s AI-powered broad match, smart bidding, and responsive search ads to triple conversions leading to an all-time high in trial sign-ups.” [See source.]

One obvious advantage that AI possesses is the ability to efficiently search images. Interestingly, the NYU Library has applied this to detecting whether any given image has been used to create AI copies or derivations. [See source.] This addresses two of the key issues in imagery on the web—authenticity and ownership.

Let us now consider the top employers of executives in this sector as presented in Chart 4. The actual number of executives at any given company is quite small, falling between 25 and 250, which means we are not at liberty to share them specifically in this Update, though our clients, of course, have access to this highly granular information. Nevertheless, readers can easily identify who’s who on the list and their relative size. More important in this context, though, is who is growing and who is not, and, perhaps why.

Take Alvarez & Marsal (A&M), for example, who grew their executive team in this industry by 15.8% in the last year according to LinkedIn. The company describes itself as “a leading global professional services firm that provides advisory, business performance

Chart 4: Top Employers of eCommerce Execs



improvement and turnaround management services." Their growth was fed by recruits from numerous competitors and adjacent service firms such as EY, KPMG, Boston Consulting Group, and others less well known. [See source.]

Or what about VML, up 35.7%? "VML is a global powerhouse born from the unification of Wunderman Thompson and VMLY&R — two of the world's most powerful and accomplished creative agencies with complementary capabilities and geographic strengths." [See source.]

Newmark finds itself on the other end of the spectrum, down 16.3% perhaps because of the underlying issues in the commercial real estate sector. Here's how the company explains its business model: "Since 1929, we've faced forward, predicting change, and pioneering ideas. Almost a century later, the same strategic sense and audacious thinking still guide our approach to commercial real estate." [See source.]

Cushman & Wakefield (-12.5%), also in the commercial property market, shows a similar declining trend in executive employment. In their second quarter results (July 2024) the company reported a decrease in revenue (-5%) and EBITDA margins versus prior year quarter. [See source.] Restructuring continues, most recently in the form of the sale of a facilities maintenance division (Cushman & Wakefield Facility Solutions) to Vixxo in August 2024. [See source.]

Two other companies share a category as well as similarly disappointing results, L'Oréal (-12.5%) and Estée Lauder (-7.7%), so we looked a little bit more into what is happening in this segment.

> *Despite its size and roster of well-known and well-loved brands, L'Oréal is not immune from the prestige softening that is also weighing on its peers. In its second-quarter earnings last week, LVMH's perfume and cosmetics division grew 4 percent, missing estimates of 5.4 percent, while Unilever's results last week noted a slowdown in its prestige beauty division. Estée Lauder, which with the exception of drugstore skincare line The Ordinary is a prestige pure player, has had well-documented difficulties regrowing its sales post-pandemic.* [See source.]

Apparently the whole category is a little soft right now, particularly in the US and China. Per the same source, L'Oréal seems to be rethinking its assortment and even considering expanding its offering on Amazon.

In a chirpy posting entitled, "How the Health and Beauty Industry Can Leverage Ecommerce to Sell More," BigCommerce has these suggestions for the category (paraphrased from the source):

- website experiences matter (easy navigation and clear product descriptions help);
- frictionless checkout (22% abandon carts due to checkout issues);
- post-purchase optimization (18% abandon carts due to return policy concerns);
- product imagery (allow customers to virtually test skincare products to see if they match skin tones);
- loyalty programs (asking prospects to create an account can often drive away potential sales (26% of sales, to be exact). [See source.]

Digital Marketing Success Story

After building and selling a digital advertising agency, our client B. Randall Willis struggled to find the right next step… until he hired The Barrett Group. "I'm an outside-of-the-box kind of guy," said Randall. "I thought a career coach would try to make me corporate-y but, in the end, working with TBG, I came to understand how to go about a job search that is right for B. Randall Willis. TBG helped me find peace in who I am, who I am not, and then how to craft a suitable job search strategy." [Read his success story.]

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Then, of course, there's Amazon (-8.6%), the granddaddy of eCommerce, who announced a major shake-up in September 2024. "We want to operate like the world's largest startup," CEO Jassy said in a message posted on the company's corporate blog. The objective is to reduce bureaucracy, and as a consequence, "Each major organization within Amazon will be required to increase the ratio of individual contributors to managers by 15% by the end of March 2025." [See source.] At the same time, Amazon is mandating a return to the office, despite the dislocations this may cause for many employees who are enjoying the benefits of being remote.

In this respect, Amazon is swimming upstream because the preference trend is firmly in the opposite direction, per USA Today:

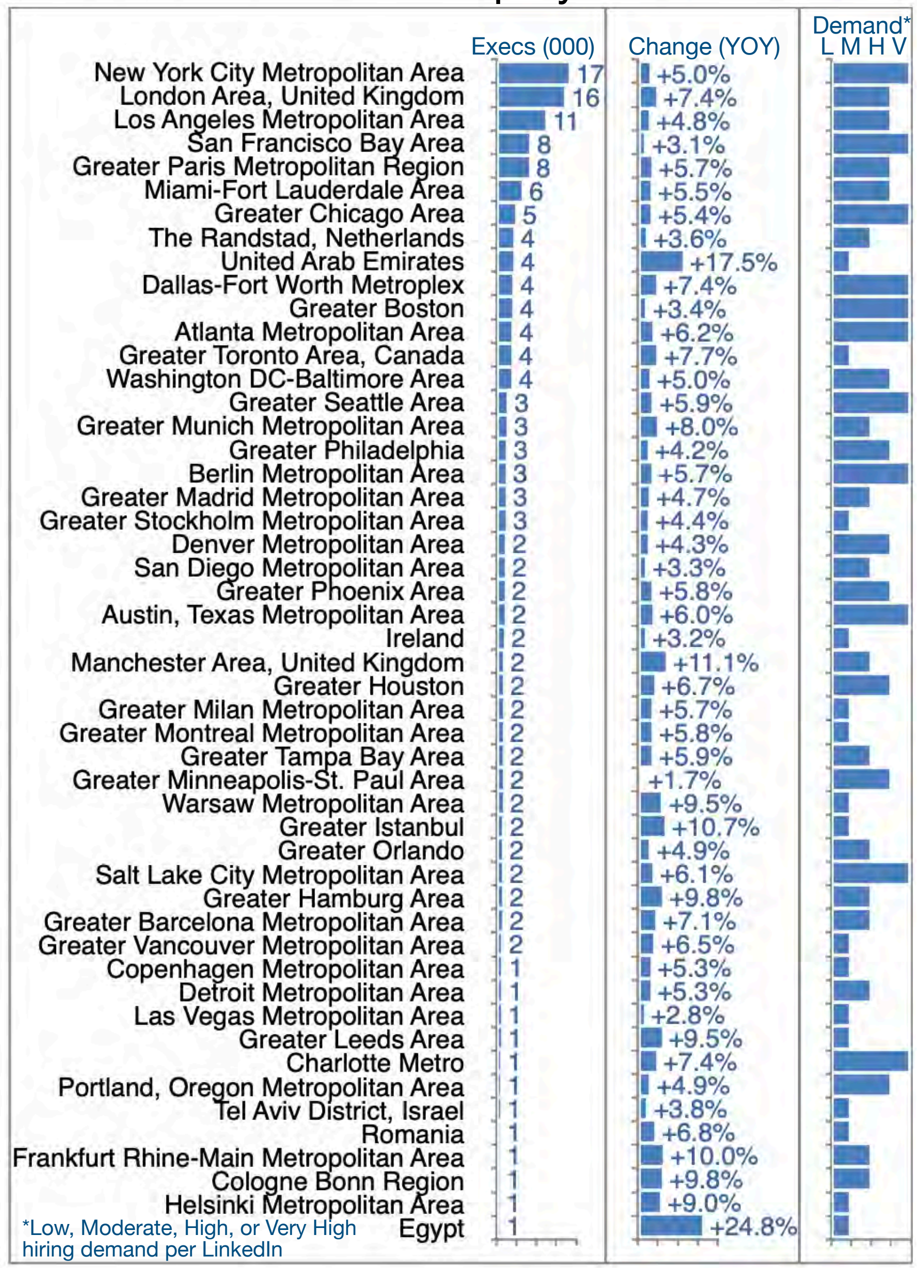
> *Our survey shows that 33% of our respondents work remotely, and 33% work in a hybrid work environment. However, 36% of respondents would prefer working from home full-time instead of having a hybrid schedule, and 41% of respondents would be willing to consider a full-time, remote position if they were looking for a new position.* [See source.]

Which brings us to the subject of location. Chart 5 shows more where executives are employed, not necessarily where they actually work. The fact that the whole industry is growing strongly helps to explain why there is not a single location shrinking in this sector at this time. It is not unusual to see New York, London, Los Angeles, San Francisco, and Paris at the top of the ranking but their rates of growth came in relatively high given their size. And per LinkedIn they all show high or very high hiring demand going forward as well.

The Middle East has also grown exceptionally as we indicated in the Introduction, and we see this reflected in the UAE (+17.5%), Istanbul (+10.7%), and Egypt (+24.8%), though the forecast demand in the locations has fallen off sharply.

Still, so many locations offer both strong historical growth and an expectation of continued high hiring demand that executives in this industry should have a pretty broad set of options geographically.

Chart 5: Executives' Employment Location



Female Executives

INDUSTRY UPDATE: Female Executives

Introduction

Considering that 45% of the European workforce and 47% of the US workforce are female, it is certainly fair to question why the female share of executives hovers around 27%. Yes, there has been progress, but still only 10% of CEOs at Fortune 500 companies are female (the highest level in 68 years). "One of the main factors that hinder women from achieving equality in the United States is that employers simply do not handle these issues actively…" concludes one source.

That is where the Diversity, Equity and Inclusion (DEI) initiatives were or are supposed to effect change. Forbes describes the current state of these initiatives as follows:

> *Social change often comes in bursts. Two steps forward, one step back, as the old adage goes.*
>
> *DEI is social change—change that, sadly, takes time. For those growing impatient with the increasing polarization and political misrepresentation of DEI, 2024 will be more of the same. The U.S. presidential election is likely to further polarize and politicize DEI much as it did in 2020.*
>
> *Dr. Martin Luther King famously said, "the arc of the moral universe is long, but it bends towards justice."*
>
> [The author concludes:]
>
> *I remain cautiously optimistic about the future of DEI. It will happen. It needs to happen. Yet, change takes time.* [See source.]

Another source goes on to provide inspiring short profiles of 31 female CEOs while reminding readers that female managers tend to be more productive than their male counterparts as well as better at fomenting more cooperative, less combative business cultures.

Of course, motherhood may well be one reason for the gender gap. Apparently 75% of US mothers of children under 18 are employed full time and 61% believe that being a mother "disrupts their ability to progress in their careers." [See Source.] One of the remedies expected to address this disparity is the implementation of paternity leave or paid family leave. So far, in the US 22 of the 50 US states have enacted this in some form. Europe is more advanced on this front where the UK and all 27 EU states have introduced minimum family leave policies.

Is there truly progress then in the share of female executives active in business? One source cites a significant rise in female board membership among Fortune 500 boards (in the US), which has risen from 9.5% in 1995 to 30.4% in 2023. At the state level, 24% of governors in the US were female in 2023—up from the previous high of 18% in 2007. Are these isolated or is this progress more general?

McKinsey reports that in fact the share of female executives has increased significantly, from 17% to 28% since 2015 (based on a major study in the US and Canada). Female Vice Presidents represent approximately 33% and women comprise 36% of the Director/Senior Manager level. The study goes on to debunk myths about women in the workforce concluding:

- Women are more ambitious than before the pandemic—and flexibility is fueling that ambition;
- The 'broken rung' (not the glass ceiling) is the greatest obstacle women face on the path to senior leadership;
- Microaggressions have a large and lasting impact on women; and
- Men and women see flexibility as a 'top 3' employee benefit and critical to their company's success [See source.]

The study also underscores the importance of flexibility and its relevance to women:

> *As workplace flexibility transforms from a nice-to-have for some employees to a crucial benefit for most, women continue to value it more. This is likely because they still carry out a disproportionate amount of childcare and household work. Indeed, 38 percent of mothers with young children say that without workplace flexibility, they would have had to leave their company or reduce their work hours.*

INDUSTRY UPDATE: Female Executives

In Europe, female employees occupy 35.1% of management positions, though there is significant variation between a low of 22.8% in Luxembourg and a high of 45% in Latvia. Among the largest countries, female management has the following shares: Poland (42.9%), France (39.9%), Spain (43.7%), and Germany (28.9%). [See source.]

Most prominently, let us remember that the EU itself has a female President, Ursula von der Leyen, who is putting much effort into expanding opportunities for her gender. Europe has actually set targets for female representation now, prescribing that 40% of certain executive positions should be occupied by women by 2026. However, at least one source suggests there is still a long way to go:

- *44% of European financial services directors appointed in 2023 were female, down from 51% in 2022;*
- *59% of all directors appointed in 2023 brought C-suite experience, but just 38% were female, down from 47% in 2022;*
- *31% of firms still report under 40% female board representation, with women holding the most senior board positions* at just 29% of firms.* [See source.]

The UK has also set targets for female executives that suggest a company's board should be made up of at least 40% women. This has led to an all-time high of 42% female board directors at the top UK listed companies (the FTSE 100) with knock-on effects in functional disciplines. "In the FTSE 100, 25% of finance directors were female, up from 23%, and 27% of chief information officers were women, up from 21%. Women make up 30% of executive committees." [See source.]

While overall, female executives hold a smaller share of leadership positions in the Middle East than in other regions, Forbes has come out again with its 100 most powerful businesswomen in the Middle East ranking. It headlines an impressive list of CEOs, Chairwomen, and Vice Presidents featuring a broad array of nationalities (28 in all) and industries (27 sectors). Financial services leads the way with 26% of the entries.

Will mandates and/or DEI activism bring about a lasting change in female executive participation?

TBG News:

Marion Engelke,

CEO of the Barrett Group as of January 1, 2024—our first female CEO! [Read More.]

DEI for one has been under siege recently, most visibly in the US, where critics have described the effort as reverse racism. This may have caused the pendulum to swing back a bit, as CNN reports:

> *After a more than 29% uptick in job postings with DEI in the title or description between November 2020 and November 2021, the data shows a more than 23% decline in the amount of job postings with "DEI" in the title or description between November 2022 and November 2023.* [See source.]

On the whole though, major companies apparently continue to see the judicious promotion of diversity, equity and inclusion as being necessary and important. CNN continues:

> *More than half of the executives who answered the survey agreed that backlash toward corporate DEI efforts has increased since the Supreme Court overturned affirmative action in June, but 69% said it has not caused their organization to change its approach to DEI efforts.* [See source.]

At the Barrett Group we do see progress toward growing acceptance and support for more female executives. In fact, our new CEO, Marion Engelke, is also female. Let us now turn to the actual data on the women who make things happen at many of the world's most important companies.

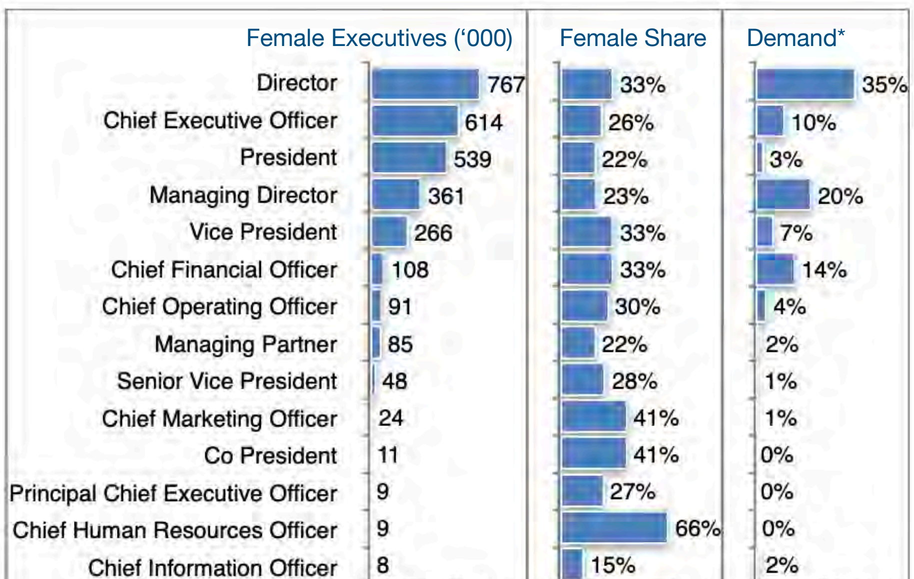
INDUSTRY UPDATE: Female Executives

The Market for Executives

In these Industry Updates TBG regularly reviews a population currently comprising circa 11 million executives in the US, Canada, UK, EU and Middle East of which 27% is female in total, though this varies considerably by geographic market. [See the Editor's Note for more details on which titles are included.] Of these almost 3 million female executives, 1.1 million work in the EU and UK (25% of total), where the overall executive market has grown by 1% in the past year and seen 200,000 change jobs. In the US and Canada, 1.7 million executive women (29% of total) are employed in an overall market that grew 0.6% and saw another 212,000 change jobs. In the Middle East, only 17% of the executive workforce is female, about 92,000 out of a total market that grew by 1% and saw 29,000 change jobs.

Overall, without specific reference to gender, LinkedIn reports the above referenced executive positions as experiencing a high hiring demand and enjoying an average tenure of 3.3 years.

Chart 1: Female Executives' Titles



*Share of help wanted ads posted on LinkedIn.

Chart 1 presents the number of female executives per major title category. For example, Director titles in our sample were 33% female according to LinkedIn, accounting for some 767,000 individuals. This position (in total and irrespective of gender) attracted 35% of the help wanted postings on LinkedIn within this cohort and the past year.

As usual, the Chief Human Resources Officer spot attracts the highest share of female executives (66%), followed by Chief Marketing Officer and Co-President (both, 41%). While 26% of CEOs seems rather consistent with what other media are reporting, 15% for Chief Information Officers would seem to indicate considerable opportunity for improvement.

Why does the human resources responsibility consistently seem to land on a woman's desk? Here is one common explanation: "While men possess their own form of EQ, women tend to demonstrate more advanced empathetic and interpersonal skills, both of which are vital to resolving intra-office disputes, managing employees, and negotiating contracts." [See source.] By the way, this source is well worth exploring in more detail as it also examines income disparity and other related issues, and reaching this intriguing conclusion: "A report from McKinsey & Company discovered a direct correlation between profitable companies and diversity, as the more diverse companies were more likely to have above-average financial returns."

To read about TBG **clients' successes** click here.

In Chart 2 readers will see the female executive population ranked in descending order per industry of employment. Obviously, this results from the size of the overall segment as well as the female share which varies tremendously from a low of 12% in Construction to a high of 57% in Personal Care Product Manufacturing according to our source.

LinkedIn does not provide gender-specific data on the YOY Total Change or Hiring Demand (columns three and four respectively in Chart 2) so this data is necessarily not gender-specific, however, it is understandable that Banking has added personnel as interest rates (and therefore retail banking's profitability) rose while Capital Markets have tended to shed executives as Private Equity investing became more complicated and less rewarding due to the economic cycle.

INDUSTRY UPDATE: Female Executives

Recent Female Executive Clients of the Barrett Group

Part of our mission at TBG is to help clients find relief by realizing that they are not "stuck" in a job, in a career, or an industry. They have choices, even if they do not realize it immediately. Our Clarity Program© opens clients' eyes to broader possibilities while the remainder of our program facilitates change by applying practices gleaned from more than three decades of success, making transferability of expertise and experience much easier.

In that context, we think it might be helpful to profile a few of our relatively recent female executive clients in brief as a subtle encouragement to those still hesitating.

Samantha - External Communications Manager

As Chief Marketing Officer in the beverages industry, Samantha recognized that her job was a poor fit for her skills and inclinations. She hired TBG and reports tremendous satisfaction in her new industry and role. [Read More.]

Jocelyn Hirschfeld - Vice President of Market Access

At first Jocelyn was not sure why she should change but when she realized the opportunities available she never looked back. [Read More.]

Diane - Vice President of Operations

After two years in a consulting role, Diane realized that she preferred and wanted to return to a corporate environment.

Through diligence and the support of her TBG team, Diane summarized her results as follows: "I had been a chief information officer. The operations officer role was something I had never really been in before. It was new and exciting, and I looked forward to it." And, finally, like many Barrett clients, she of course had a better salary, better perks, and a better title, as well as one other outcome. "You know, I received a sign-on bonus that more than covered The Barrett Group's fees." [Read More.]

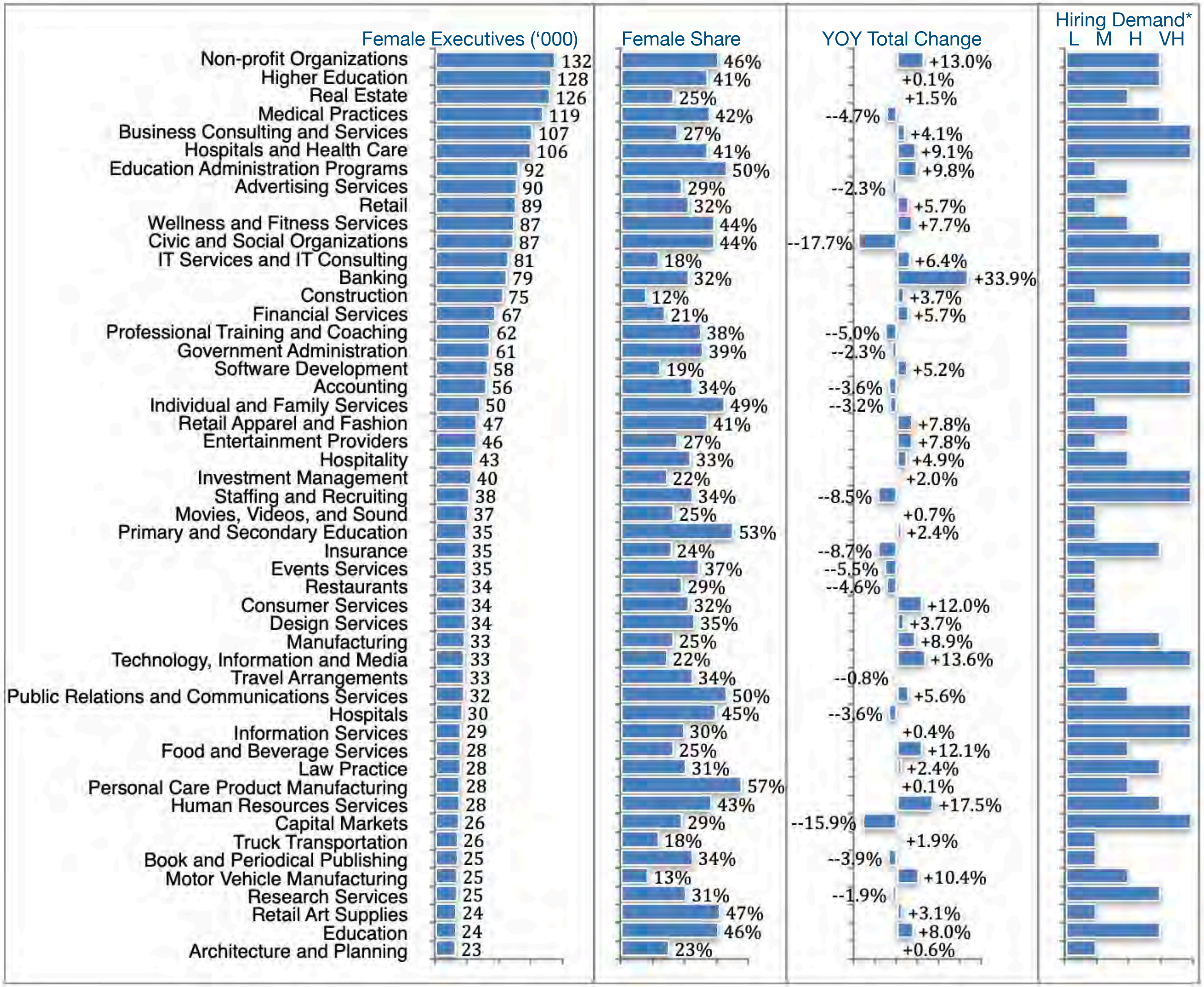
Elfreda - Vice President K-12 Strategy

Elfreda had risen as high as she could go in her organization and wanted new challenges, however, she wanted to be thoughtful and intentional before making her next career move.

TBG helped her discover opportunities and negotiate a better package. She says, "Having a consistent coach was really helpful[.] And it was clear to me that all the people at The Barrett Group really wanted me to succeed." [Read More.]

INDUSTRY UPDATE: Female Executives

Chart 2: Industries Employing Female Executives



*Low, Moderate, High or Very High overall (all genders) hiring demand per LinkedIn.

Hiring Demand in Chart 2 refers to LinkedIn's prediction as to whether the industry will continue to experience Low, Moderate, High, or Very High hiring demand in the short term.

This suggests that, for example, Business Consulting and Services and Hospitals and Health Care (both of which show relatively large populations with high female executive shares) are likely to continue to hire at a very high rate.

Scarcity can also drive this data, as seems to be the case for Civic and Social Organizations or Staffing and Recruiting both of which show high or very high demand and yet negative changes in the recent past. In other words, these industries may well be struggling to find enough qualified individuals.

TBG clients receive considerably more detailed research support during their career change programs, however, even at this level of detail it seems evident that certain industries may be more attractive for female execs

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wishing to take a step up. Transitioning from one industry or role to another is one of TBG's specialties, of course, as the program helps clients rethink their overall goals early on during the targeting or Clarity Program© step. Here is one client's take on the process:

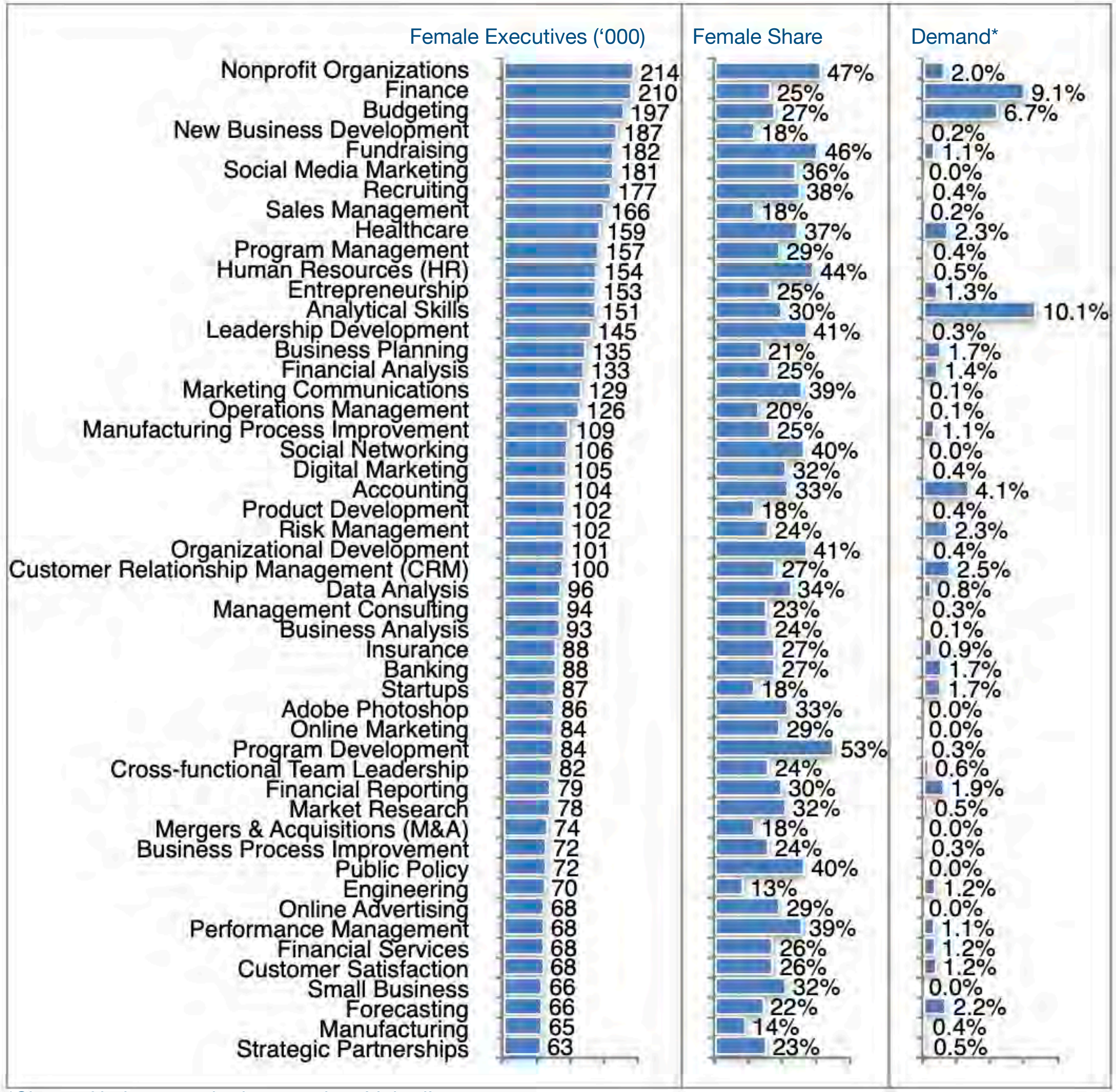
> *I thought Clarity was super interesting[.] I learned a lot about the way I handle things in business, what kind of professional personality I have, and where I best fit culture-wise. (It has to be fast-paced and organized!)* [Lisa - Executive Director]

Many skills are in fact transferable from one industry or specialization to another, and this can lead to big moves in candidates' careers, especially if they have guidance from a Forbes-recognized professional career management firm such as TBG.

Chart 3 collects the specializations that female executives have posted on their LinkedIn profiles highlighting the relative frequency of each, the female share, and the change in the *total* population (not just the female execs' share).

TBG has seen an on-going demand for Finance, Budgeting, and Analytical Skills through many of the industries we examine and this cohort is no different. As far as the female share is concerned, clearly we think women should be better represented in most specializations, however, as of now, Program Development (53%), Nonprofit Organizations (47%), Fundraising (46%), and, of course, Human Resources (44%) lead the pack.

Chart 3: Female Executives' Specializations



*Share of help wanted ads posted on LinkedIn.

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As usual, New York comes out on top with the most female executives of any location (Chart 4), though it is not growing (on an all-gender basis) as fast as London, Paris, Toronto, or even the UAE. Still, New York as well as many locations shows a high or very high hiring demand that speaks either to a scarcity of relevant professionals or increasing growth going forward.

Location is typically dictated by the employer, of course, so who are the best employers for female executives? Recently Forbes published a list of the best companies for women, explaining their methodology as follows: "…we surveyed approximately 70,000 women working for multinational corporations across 37 countries. Participants were asked—among other questions—if they would recommend their employer to friends or family, and to rate the corporation on both general workplace practices and gender-specific issues including gender pay equity, the management of employee discrimination cases, and whether men and women have the same opportunities for advancement."

Here are the top five companies from that list:

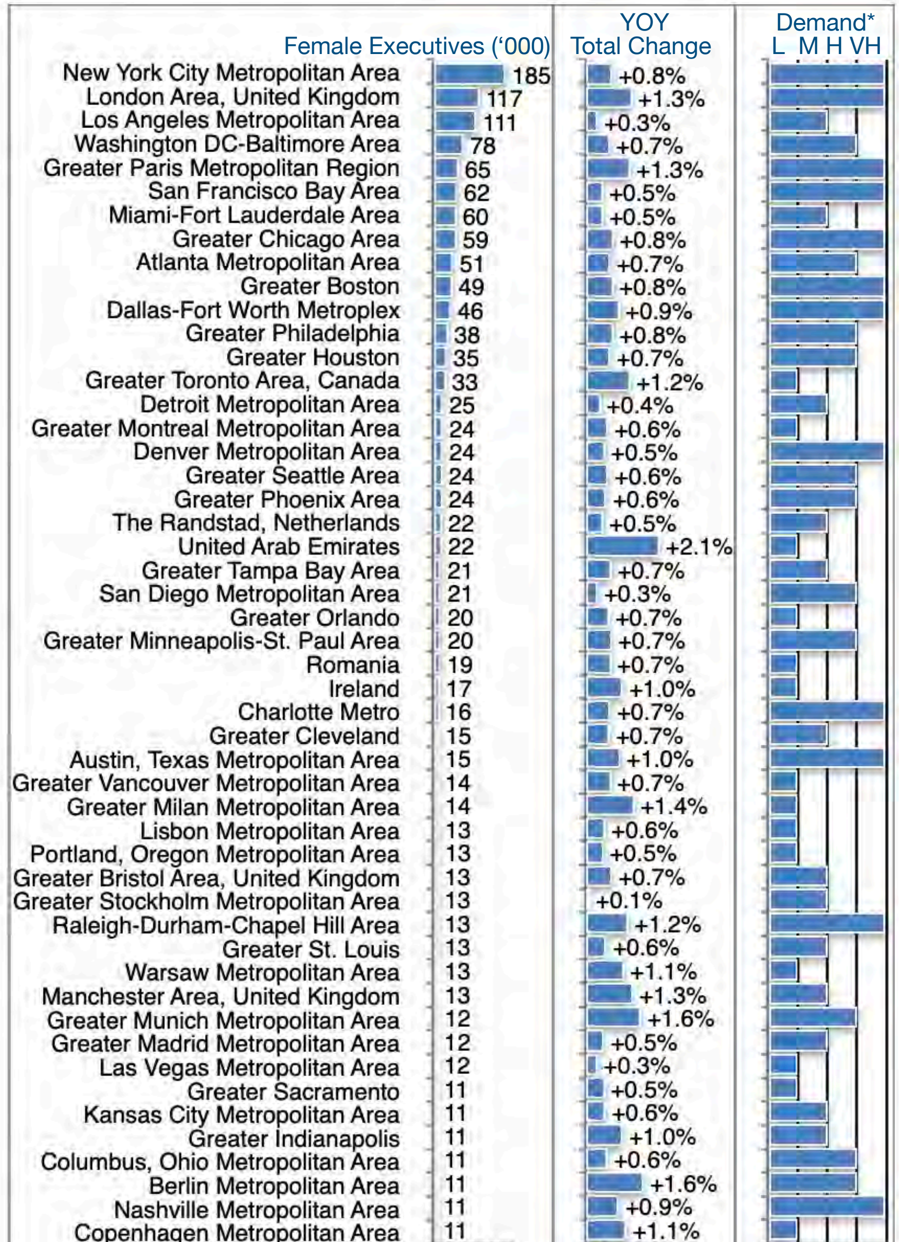
- MAIF (Insurance - France)
- The Estée Lauder Companies - US
- SAP (IT, Software - Germany)
- Clorox (Retail and Wholesale - US)
- Marriott International (Travel & Leisure - US)

The list is fascinating and offers much food for thought. [See source.]

Editor's Note:

In this 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, President and Director 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 1 billion 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.

Chart 4: Female Executives' Locations



*Low, Moderate, High or Very High overall (all genders) hiring demand per LinkedIn.

Human Resources

INDUSTRY UPDATE: Human Resources

Introduction

What's up with human resources (HR)? Forbes suggests the function was hit hard by downsizing in 2023 but that the future is bright. In the UK a recent study saw a surge of interest in HR careers. The US Bureau of Labor Statistics predicts stable 6% per annum growth in the number of positions through 2032. LinkedIn says the number of HR executives increased by 17% in the past year.

What's going on?

The Barrett Group (TBG) believes that there has been an increase in the underlying HR executive population as a response to the post-pandemic economic resurgence. This trend may have been interrupted slightly in 2023 as some positions were trimmed—adjusting the post-pandemic overcorrection. But the future need for HR executives is clear.

According to a recent survey cited by Forbes: "Over the next year, 61% of companies expect to increase investment in this function. The investment outlook for 2024 shows that more than half of the budget increase will be allocated toward AI-powered recruiting tools, followed by DEI initiatives, candidate relationship management, applicant tracking systems, career sites, sourcing technologies, job boards and offers."

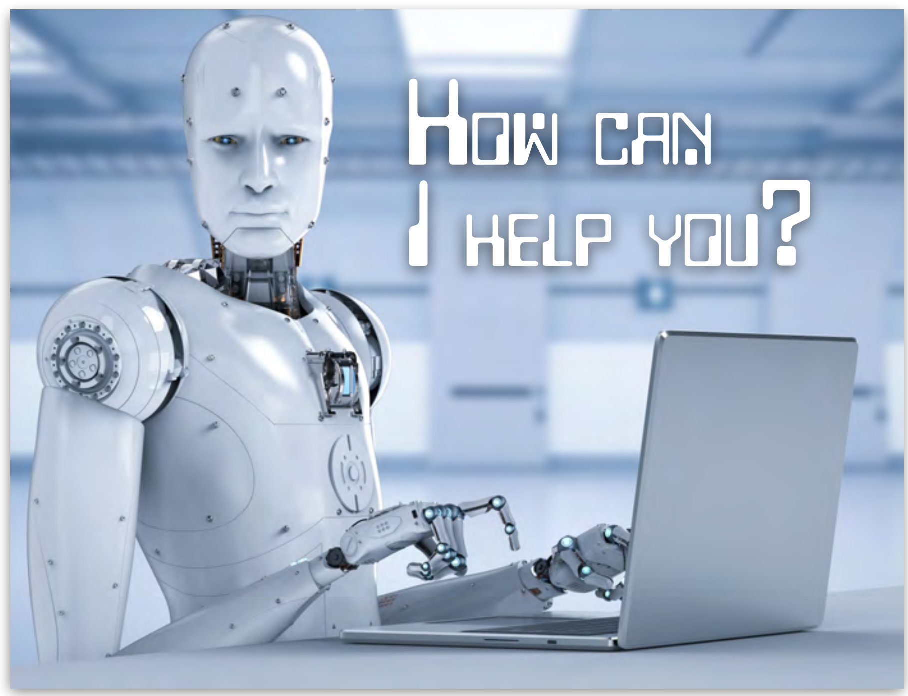
Indeed, multiple sources agree [example source] that some of the opportunities and challenges ahead will require agile, open-minded HR executives to help companies navigate complicated and interactive issues in the workplace including:

- Balancing remote vs. hybrid vs. office-based employment
- Supporting employees' work-life-health balance
- Integrating AI-supported processes
- Continuing to advance diversity, equity, and inclusion (DEI) oriented policies
- Driving climate change adaptation
- Creating effective re-skilling programs

Wait a minute. Some people seem to think that DEI is dead. Is it?

While the term DEI may have become a political football in some cultures, the subject remains front and center for most larger companies. Fortune's CEO concludes as follows: "Of course, the answer to past racism is not reverse racism. The answer to past gender-based discrimination, for example, is not to promote women simply because they are women. But that was never the point of DEI to begin with. It was quite simply to do what its acronym says: to promote diversity, equity, and inclusion. We still support that. DEI may be dead. But its supporters should resuscitate it. Long live DEI." [Peter Varnham, Executive Editor, Fortune.]

More nebulous but possibly more far-reaching is the question of how to motivate employees given varying generational trends. Gen X, Gen Z and millennials all behave differently than baby boomers, requiring different incentives and working conditions. On-going digitization and redesign of business processes mean roles are continuously changing so that key performance indicators must also adapt or become obsolete—all the more so as AI takes over more and more of the drudgery. Increasingly businesses are becoming



untethered to a specific location, so that employee policies and practices must reflect this new reality. In a recent report Deloitte provides some intriguing insights into how human capital can be rendered more sustainable against the background of these challenges, including countering AI's threatening dehumanization.

Still, effectively juggling different cultures, values, geographies, time zones, process evolution stages, digitization steps, etc. all sounds a bit daunting for the mere mortals working in HR.

Accenture sees AI as an upside and game-changer in the HR space: "Gen[erative] AI offers a trio of opportunities: it can accelerate economic value and drive business growth while also fostering more creative and meaningful work for people[.]" The same source goes on to quote research that indicates most organizations feel ill-equipped to really grasp the opportunity AI presents, but those that do seem to be actively involving the affected employees along the way, creating a creative co-dependency between the employees and how AI is implemented. According to Accenture, this fosters trust, a rare but invaluable commodity in the organizational change space.

Will AI eliminate HR jobs?

Most sources seem to agree that the focus, at least initially will be on reducing repetitive tasks so that HR professionals can focus on more value-adding activities. Nevertheless, the "AI market is growing at a rate of approximately 40 percent each year and is expected to be worth $1 trillion in the US alone by 2028, according to Statista. […] HR is certainly not immune to AI's workplace growth. According to Gartner, 76 percent of HR leaders believe that if their company does not start using AI solutions in the next 12 to 24 months, it will not be as successful as companies that do. Overall, HR professionals feel hopeful about AI, and many are already using it to complete everyday tasks and maximize productivity, Gartner reported." [See source.]

As usual then, the answer is that executives in this space must remain agile and vigilant to stay on top of their games. Let's see how they are succeeding.

The Market for Executives

As TBG defines executives (see Editor's Note), this market numbers about 64,000 individuals, having grown an astonishing 17% over the last year. With job-changers, that means the total executive opportunity in the space was about 12,000 positions in the last 12 months. This market is much more balanced gender-wise than most (43% female) with an average tenure of slightly more than 3 years.

Geographically, the population is similar in the US and Canada vis à vis the EU and UK at about 30,000 executives though the former grew faster and has a higher female share (47%). The Middle East grew the fastest but from a modest base of just 4,000 with a lower share of female execs. Nevertheless, LinkedIn

Chart 1A: Growth

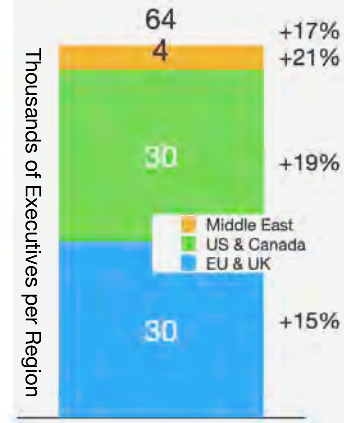


Chart 1B: Titles

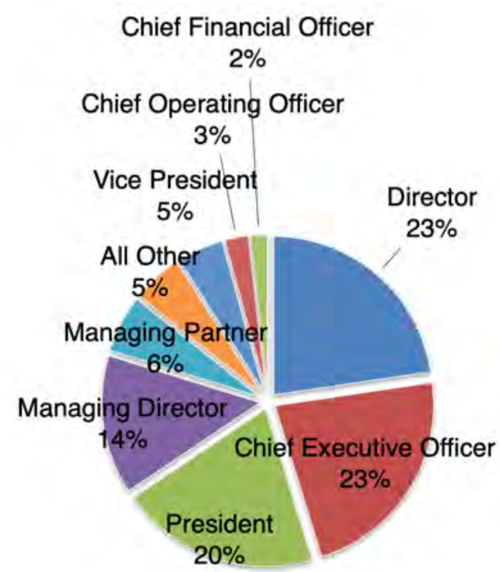
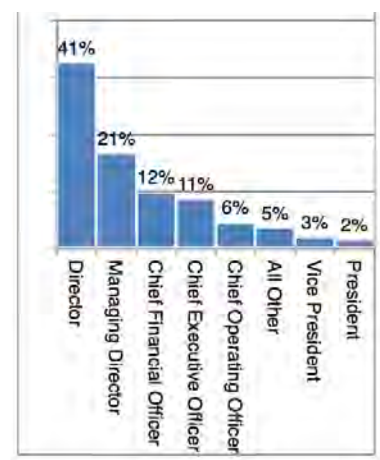


Chart 1C: Demand



INDUSTRY UPDATE: Human Resources

reports hiring demand for the whole cohort as high. Chart 1B reveals the share of executives by major title category, where, as usual there are many Directors, but also surprisingly many CEOs, Presidents, and Managing Directors. Remember, these are the titles that are principally associated with the Human Resources responsibility. This suggests to TBG that the structure of the sample includes numerous smaller companies as larger firms are more likely to have more Vice Presidents.

Chart 1C explores the relative demand for each title based on the share of online job postings per position. Clearly, the Director title was the most sought after followed by Managing Directors, CFOs, and CEOs. Of course, this would ignore the unpublished opportunities.

Most executives cite more than one specialization on their LinkedIn profiles so that by listing these an overview of the skills in the HR space emerges. Chart 2 provides this perspective. Clearly recruiting predominates in the rankings, followed by skills requiring subject matter expertise such as Organizational Development, Talent Management, Performance Management and Leadership Development. In fact, the more generic specializations such as Management Consulting or New Business Development do not occur until further down the ranking. This may be important to note for would-be career changers who might wish to transfer into this industry by leveraging their relevant experience from other verticals.

TBG routinely helps executives rethink their professional trajectories, inventory their options, and then repackage themselves accordingly—with stunning results as highlighted in numerous Success Studies. Increasingly, executives are coming to understand that they are not necessarily trapped in a particular industry even if that is where they have spent their professional lives so far.

Regular readers of TBG Industry Updates will recognize from Chart 2 that the share of female executives in this industry is exceedingly high in comparison to many other industries TBG has studied. TBG believes this is more a result of cultural forces and has little to do with inherent capabilities. Fortunately, companies are generally trying to improve gender equity across the board, though progress remains slow so far.

Chart 3 again utilizes the available indicator of the share of online job postings to reflect relative demand. Executives should note that the online market encompasses only about 15% of client landings at TBG while 75% land via the unpublished market. However, based on Chart 3, this industry is very similar to others in that quantitative disciplines such as Finance, Analytical Skills and Budgeting occupy three of the top four positions—all generic skills, by the way, affording interested executives ingress or egress to or from this industry as they consider possible career changes.

Chart 2: Executive Specialization

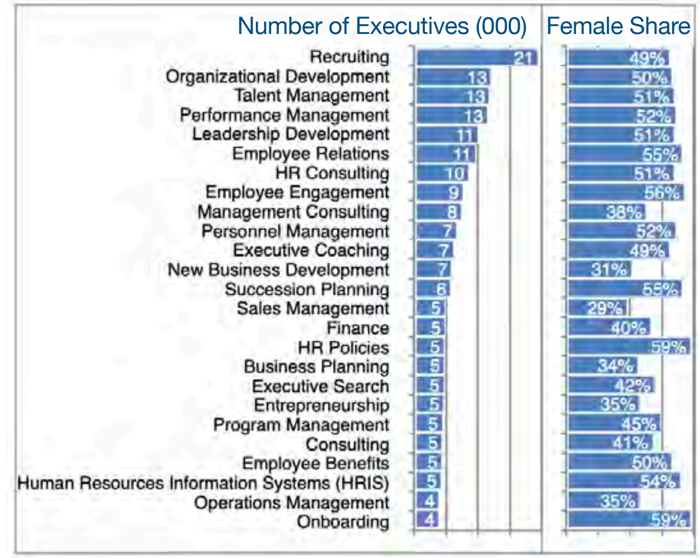


Chart 3: Specialization Demand

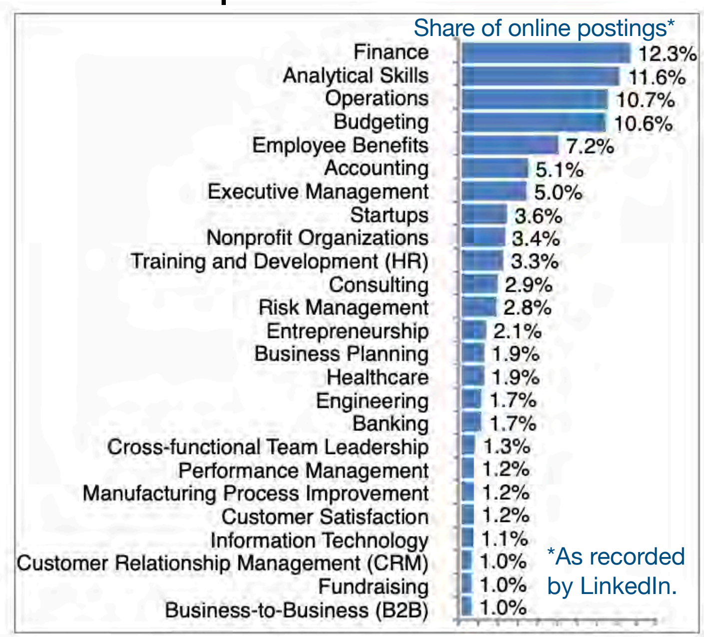


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Chart 4: Net Movement Between Industries

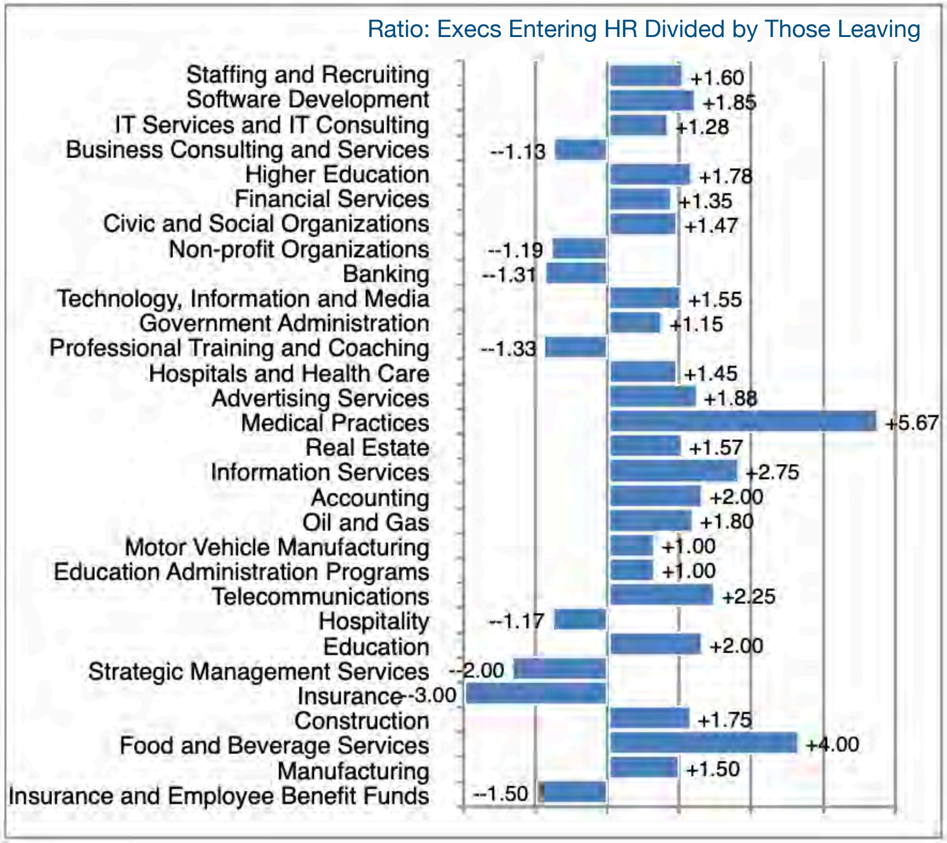


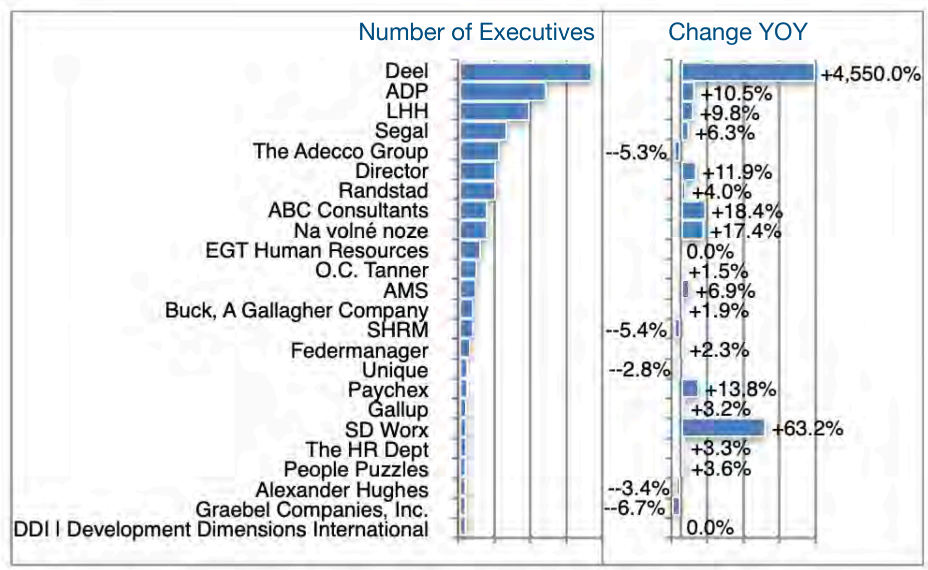
Chart 4 offers an interesting portrait of how HR executives are shifting industries according to LinkedIn by summarizing the ratio of execs who have moved from or to HR over the last 12 months from the various other sectors listed on the vertical axis. Essentially, this chart tells us, for example, that 60% more executives entered the HR industry via the Staffing and Recruiting sub-sector than those that departed. Another 85% more joined in Software Development, etc.

In the other direction, net gainers from the HR sector include the following segments: Business Consulting and Services (-13%), Non-profit Organizations (-19%), Banking (-31%), Professional Training and Coaching (-33%), etc. Strategic Management Services and Insurance seem to have even more extremely negative ratios suggesting that these industries have aggressively hired HR execs in the past year.

However, Medical Practices seem to be adding HR executives (+467%) as are Food and Beverage Services (+300%). Overall, this tends to prove one of TBG's major tenets: there is always opportunity in the executive market if one knows where to look.

As noted earlier, HR is a rather fragmented executive cohort, spread across a large number of firms—so much so, that the top 24 firms represent just 4% of the total! Chart 5 shows this clearly as the number of execs per firm even at the largest companies lies in the mere hundreds. As a result, rounding to the nearest thousand is meaningless. Deel, for example, a privately held HR services startup based in San Francisco, profited richly by picking up talent from Meta, Salesforce, Rippling, Slack, etc. over the past 12 months. It aims to provide the latest in HR tech offering unique services such as a compliance hub intended to provide insight into HR legal requirements in 150 countries. As evidenced by its recent hiring, Deel's clear focus in terms of skills has been on Software Development, IT Services and IT Consulting, as well as Financial Services.

Chart 5: Top 24 Employers of Executives



Per Chart 5, ADP, a New Jersey based public company, continues to grow (+9%) by providing payroll and many other HR services. Recently the company has lost net talent to Paychex but gained from Amazon, Accenture, Oracle, Tata Consultancy, Salesforce, Deloitte, and others. ADP recruited net talent in IT Services and IT Consultancy, Higher Education, Staffing and Recruiting, Banking, and a number of other specializations.

LHH, a firm known best for providing outsourcing services, also grew by about 11%, adding talent from competitors such as Adecco, Hays, Robert Half, and Korn Ferry. The firm focused its new talent acquisition on specializations in Staffing and Recruiting, Human Resource Services, Business Consulting and Services, IT Services and IT Consulting, and Software Development, among others.

Segal (+6%) is a human resources consulting firm that touts its strong team of 150+ actuarial professionals. The firm provides “a broad range of consulting in addition to actuarial [services], including: health benefits, human resources, compensation, organizational effectiveness, technology, investment, communications and specialty insurance to name some others.”

This report cannot explore all of the details of this fascinating industry. However, TBG’s clients receive significant research support during the early, industry-screening phases of their career change campaigns, as well as more detailed analysis as they approach critical interviews with target companies.

Editor’s Note:

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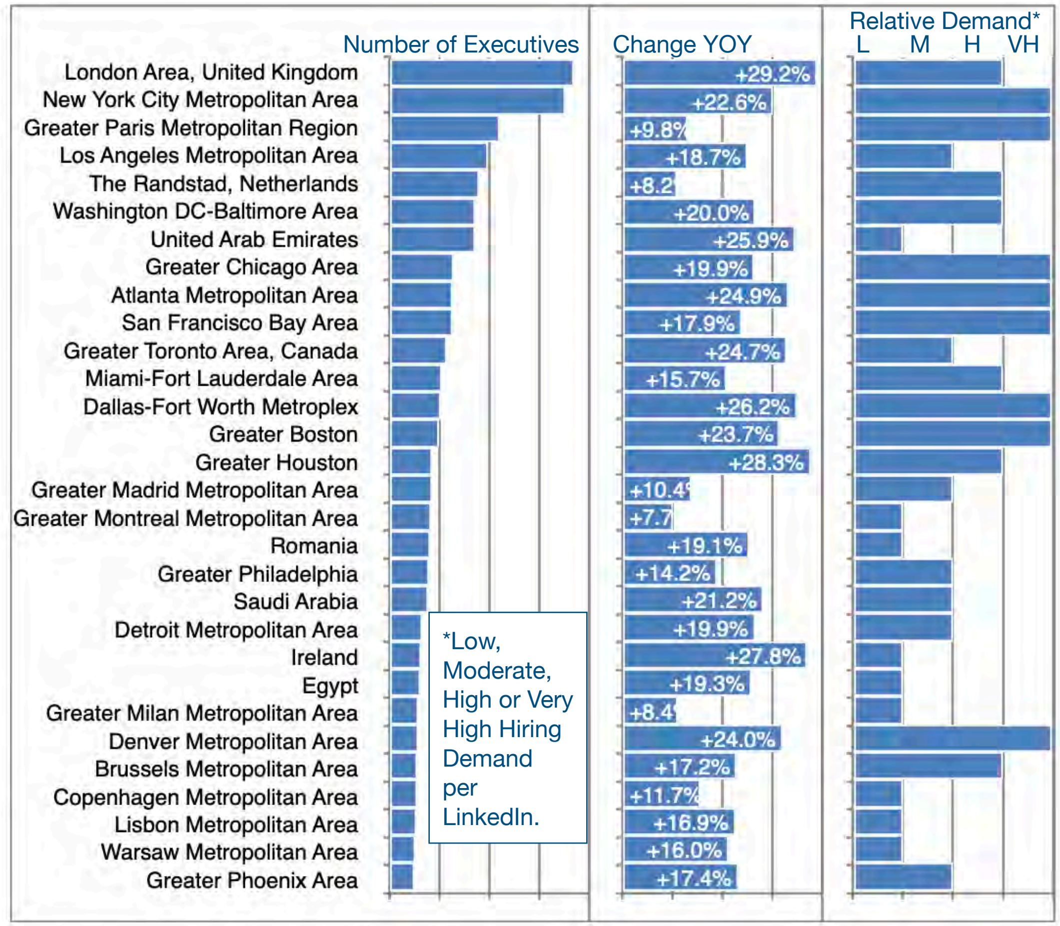
Chart 6: Top Locations for HR Executives



HR executives are also well distributed geographically (Chart 6) with London and New York vying for the most (each rounding to about 3,000 execs). Certainly, the rates of growth are impressive as noted earlier in this update, but the forward-looking hiring demand data may be a more useful indicator of current and future trends. Take the UAE, for example, which grew by 25.9% in the past year but now reveals a low relative hiring demand. Paris might be the counter-example, with a “modest” 9.8% historical growth rate but a very high hiring demand. Bear in mind that a scarcity of qualified executives may also significantly affect the relative hiring demand parameter.

Construction & Real Estate

INDUSTRY UPDATE: Construction & Real Estate

Introduction

No doubt it would be possible to segment Construction and Real Estate as separate industries, however, the flow of executives back and forth between these spheres of activity means that from an executive market point of view, they are effectively one market with many pockets of specialization. That is why The Barrett Group (TBG) reports on them as one unified cohort.

Worldwide, the real estate market is expected to grow 3.9% to reach a value of $638 trillion in 2024, the largest segment being the residential sector at $519 trillion versus $119 trillion for commercial real estate. Total market value has grown an impressive 45% since 2020, in part due to post-pandemic recovery. Looking ahead, growth projections suggest a 3.4% CAGR (compound annual growth rate) through 2028, leading to a value of $729 trillion in that year (65% higher than in 2020). China leads the demand growth (with a market value of $136 trillion in 2024) but the US is also experiencing higher demand in the suburbs as remote working continues to gain traction. [See source.]

The US housing market remains constrained as higher prices and mortgage rates, low inventory, reluctant sellers, and frustrated buyers characterize the current conditions. "Existing-home sales in February were up 9.5 percent over January, but that still represented a 3.3 percent drop year-over-year." Housing inventory stood at a 2.9 month supply in February, a value characteristic of a sellers' market. An eventual reduction in realtors' commissions due to a recent court case may offer some degree of liquidity, but a drop in interest rates if and when it comes would certainly stimulate the market. [See source.]

As a result, new home construction in the US has heated up despite higher interest rates. "Single-family housing starts nationwide are forecast to increase 4.7% this year and another 4.2% in 2025, reaching a pace of 1.3 million units, according to NAHB. […] Eighty percent of builders anticipate starting more homes this year, and 51% expect starts to increase more than 10% compared to 2023." [See source.]

Not all sources are equally sanguine on the market's prospects, however:

The Economist [*Housing and climate change*, April 13, 2024] points out that real estate as an asset class is the most important in the developed world, underpinning many financial markets. One source suggests it represents as much as 70% of the average investor's portfolio. [See source.] As climate change turns the world's property markets on their heads, this may represent a profound source of risk going forward. "At present the risks of climate change are not properly reflected in house prices. A study in *Nature*, a journal, finds that if the expected losses from increased flooding alone were taken into account, the value of American homes would fall by $121bn-237bn." [*The Economist*, April 13, 2024].

Commercially, office space vacancy rates may well continue to sag, from a current 13% in the US as demand remains constrained due to remote working. One source suggests there could be some deep discounting in this market during 2024 with private equity snapping up attractive properties in key regional locations such as New York and Los Angeles. [See source.] Retail space may fare better per this source as consumers in the US continue to spend blithely. Construction may slow but rents should hold up or even rise. Industrial and logistics space will probably cool off a little from 2023 as the last of the pent-up demand from the pandemic subsides. Data centers and energy projects will likely remain hot, driving new construction as well, powered in many locations by generous tax incentives. Apartment building in the US is seeing a surge in 2024 that will keep overall rent growth on the modest end of the spectrum. [See source.]

In Europe, there was virtually no growth in construction volume in 2023 (+0.1%) as high interest rates and a weaker economy constrained home buyers and the building sector. In 2024 there may be little immediate change, but order books in the EU construction industry remain strong with an average of 9.1 months of work and no visible decrease [see source]. Renovation and sustainability investments may well be filling in the gaps left by a lack of new projects.

After a period in the doldrums, house prices are also rising again in the EU, except for Germany, with the highest increases visible in the Netherlands, Spain, Poland and Austria among major markets. Tight demand and the passing through of inflation-driven cost increases seem to be driving this trend. [See source.] The same source also notes that construction costs apparently have slowed their rate of increase and appear to be leveling off. However, the next bottleneck may well be the forward-looking issuance of building permits which declined 14% in Q4 2023, for example, as builders remained reluctant to commit due to the uncertain market circumstances. Longer term, the endemic housing shortage in Europe and eventual easing of interest rates should help this overall market return to growth by 2025 at the latest. [See source.]

Germany remains a special case in Europe at the moment with construction spending falling for the first time since 2009. "Construction volume will shrink by 3.5% in 2024 to 546 billion euros ($597.38 billion) before recovering slightly with a 0.5% increase in 2025…" Despite the first decline in residential price houses in decades, economic optimism fell in the most recent survey period: "…sentiment in residential construction dropped to -56.8 points in December, worse than -54.4 points in November. It was the lowest level since Ifo began tracking the index in 1991." [See source.]

Infrastructure remains a bright spot in the EU, driven in part by economic stimulus investments:

> *The infrastructure sector is more resilient to the economic cycle as investment mainly comes from local or central governments. The EU infrastructure volumes have shown moderate growth in 2022 (2.4%) and 2023 (3.2%) which supports total construction volumes. The subsector benefits from needed investments in the energy transition, especially for new power grids and investments in digital infrastructure such as fibre to the home. Challenges also arise in the field of drinking water, as population growth and climate change lead to more frequent dry periods in many places.* [See source.]

In the Middle East, infrastructure projects are also driving a regional industry worth $87 billion to grow at an anticipated 5.29% (CAGR) through 2028. [See source.]

> *Economic conditions are priming the market for a construction boom but are also creating challenges including fluctuating costs and shortages of skilled labour. […] In the United Arab Emirates, the number of construction projects being released for tender continues to rise steadily. This is in part driven by a planned 34% increase in government spending on construction for 2024, and specifically, a shift towards greater investment in energy and public infrastructure projects, such*

as Al Maktoum Airport, Dubai Metro Blue Line, Hessa Street improvement, and Etihad Rail. Construction growth will boom in KSA too, with the implementation of the Saudi Arabia Giga Project program. [See source.]

Indeed, there is no shortage of infrastructure projects in the Middle East—including the Riyadh Metro, the Al Dhafra Solar Photovoltaic Plant, Expo 2020 Dubai, the Dubai's Museum of the Future, King Salman Energy Park, etc. [See source.] This market will also be affected by broader trends in the Construction industry that one source summarizes as follows:

- Commitment to sustainability,
- Adopting AI and advanced technologies,
- Continued labor shortages,
- Unprecedented public spending,
- Elevated market uncertainties,
- Diversity, and
- Implementing advanced safety measures [see source.]

Deloitte, for example, offers this outlook for the US Construction industry addressing a number of the trends bulleted above:

[…] there could be a boost to construction associated with manufacturing, transportation infrastructure, and clean energy infrastructure, as funds from three key pieces of legislation passed in 2021 and 2022—the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act—are expected to flow into the industry.[…] As such, construction confidence remains high, with the Associated Builders and Contractors (ABC) identifying expectations for an increase in profit margins and staffing levels, particularly in the first half of 2024.[…] [See source.]

Staffing remains a key constraint on the Construction industry as remote work and high employment mean employees have more choice. The industry is responding with flexible working arrangements (per the "gig" economy), higher wages, cross-training and up-skilling initiatives, heavier focus on safety measures, and better use of robotics and automation. Additionally, "hiring a diverse workforce and attracting prospective employees from new sources of talent, including veterans, persons with disabilities, and returning workers, in addition to women and underrepresented ethnic groups, will widen the talent pool." [See source.]

Sustainability is apparently not just a buzz word to attract investors, but is making its way into the very substance of building materials according to Forbes. Developments include the use of concrete to capture carbon, eco-friendly building material (e.g., turning algae into limestone), reuse of industrial by-products in cement (e.g., steel slag), reusable construction materials, and 3-D printed construction components. Beyond material advances, real-time monitoring of projects helps eliminate waste and assure higher efficiency thanks to process digitization and the internet of things. [See source.]

Of course, artificial intelligence (AI) will likely also impact the Construction industry. How? Here are a few examples:

- AI may micro-optimize room layout to perfect specific metrics (air flow, energy use, natural light, etc.) either at the pre-design stage or later during actual construction;
- wearable technology allows AI to monitor worker behavior and avoid dangerous practices, enhancing worker safety;
- drones provide oversight on larger projects that AI can use to compare to plans and identify deviations and/or required changes ever earlier; and
- AI-aided autonomous equipment can automate repetitive tasks and better utilize human operators' valuable time. [See source.]

As usual, change is the one constant governing the complex Real Estate and Construction industry. However, change means opportunity for executives as they consider what they want to do for a living. At TBG we help executives move fluidly between industries, roles, and geographies as their needs and desires evolve. Please bear that in mind when we now turn our attention to the men and women who guide and drive this dynamic market place.

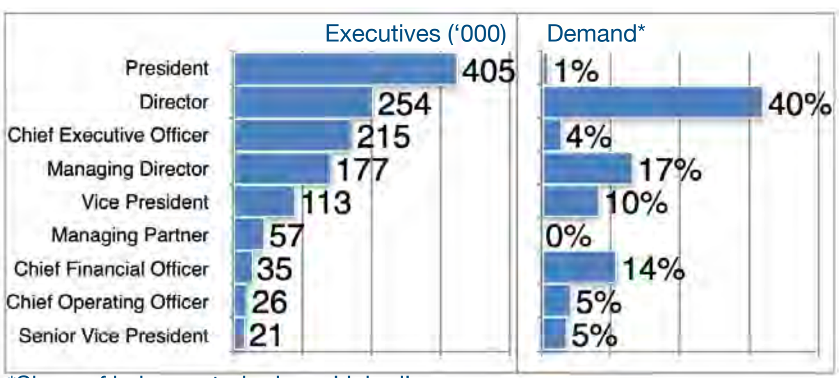
INDUSTRY UPDATE: Construction & Real Estate

The Market for Executives

Almost 1.3 million executives work in this industrial sector, up slightly (+0.3%) in the past year while some 31,000 changed jobs. That means 70,000 positions were either created or changed hands in this industry in the past year—a significant volume of executive opportunity! The US and Canada accounted for about 750,000 (+0.0%) executives and nearly half of the job changes. The EU and UK comprised 500,000 (+0.7%) and another 45% of the job changes. The Middle East cohort numbered 51,000 (+0.4%) and a further 2,100 changes of role.

Men dominate this segment where only 17% of the roles are held by women (19% in the US and Canada, 16% in the EU and UK, and 12% in the Middle East). For all the discussion of diversity at the corporate level, change seems very slow in this sector. Perhaps the difficulty in hiring qualified staff will accelerate this evolution.

Chart 1: Executive Titles



*Share of help-wanted ads on LinkedIn

Chart 1 explores the titles these executives hold. When Presidents outnumber Vice Presidents readers will recognize that this industry is relatively unconcentrated (featuring lots of smaller companies). Nevertheless, the demand was principally for Directors, Managing Directors, and CFOs, the latter being the only role held substantially by women (34%) in the entire executive suite. Please note that "demand" in this context reflects only the published market on LinkedIn. Typically, TBG finds that this is as little as 15% of the total market. Most TBG clients land via unpublished opportunities with all the attendant advantages of more self-determination, higher compensation, and less competition.

Construction and Real Estate executives, of course, may be employed in other industrial sectors, for example, a retail chain will often have a commercial real estate executive responsible for its portfolio of locations. Charts 2A and 2B explore these sub-sectors.

Chart 2A: Executives' Industries

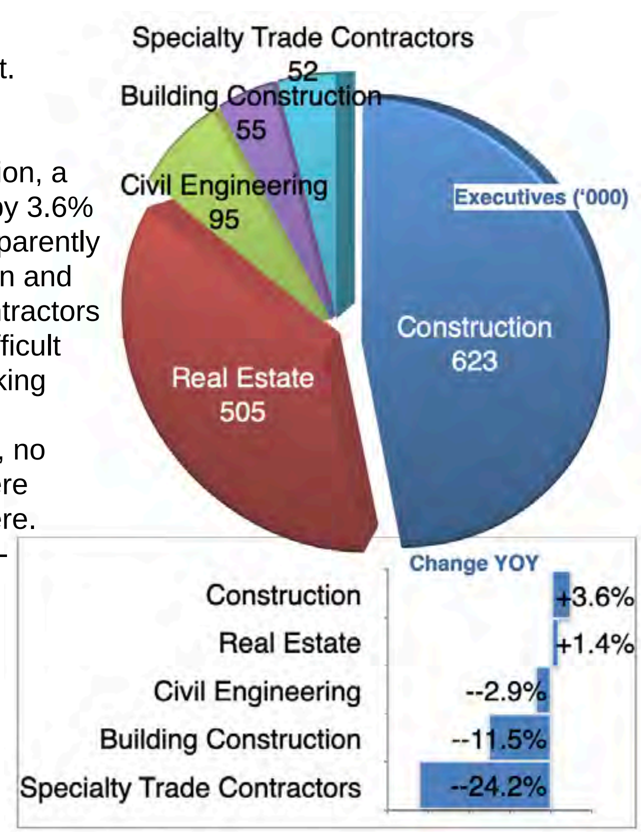
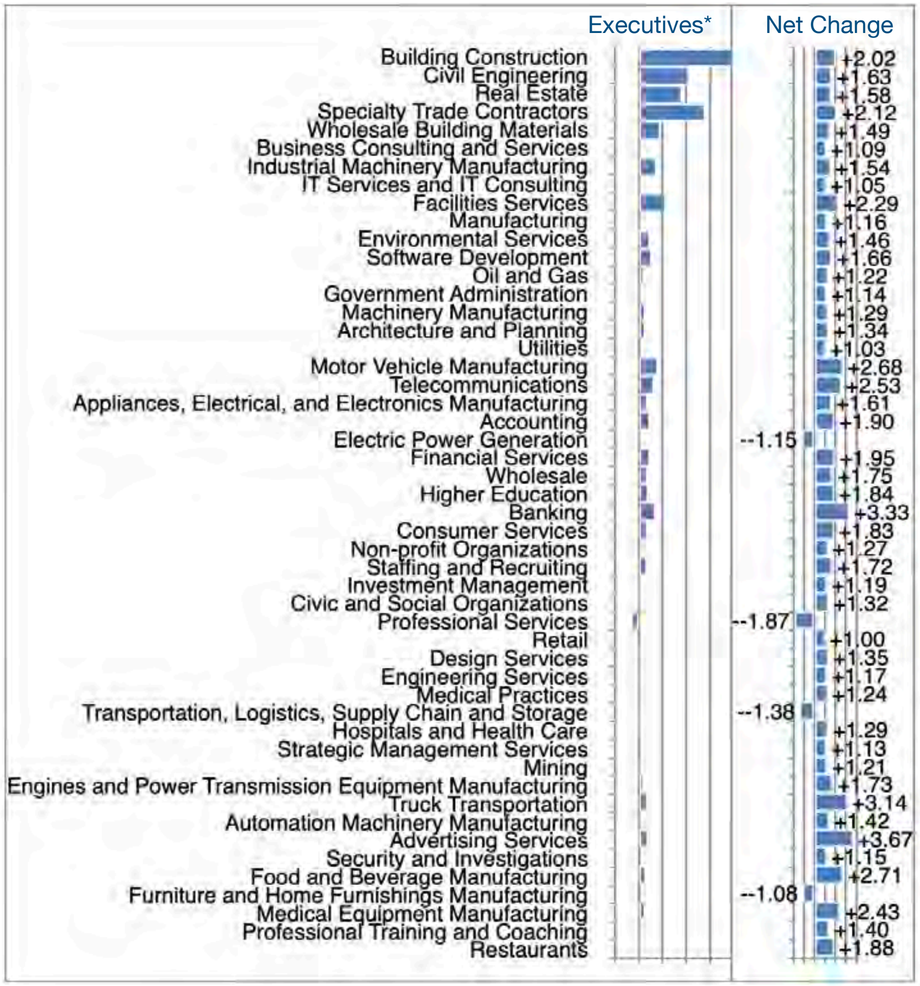


Chart 2A shows at a high level the largest segments in this overall market. Some 623,000, for example, work directly in Construction, a segment that grew by 3.6% in the past year. Apparently Building Construction and Specialty Trade Contractors had a particularly difficult year last year, shrinking by 1.5% and 24.2% respectively, though, no doubt, their skills were reabsorbed elsewhere. Additionally, contractors have been hit particularly hard by labor shortages and customers "passing the buck." [See source.]

INDUSTRY UPDATE: Construction & Real Estate

Chart 2B: Executives' Coming and Going - Net Change in Executive Headcount



*Actual net number of executives (joining the industry minus those leaving the industry). These numbers are in many cases in the hundreds and therefore below the threshold that LinkedIn allows TBG to publish publicly. The "Net Change" data is the ratio between joiners and leavers. A net positive change means more executives joined than left.

Per Chart 2A, the largest employers of executives in Construction include Turner & Townsend (UK), Gleeds (worldwide), and Ance (Italy); in Real Estate, JLL (USA), CBRE (USA), and Colliers (Canada); in Civil Engineering, Aecom (USA), Tetra Tech (USA), and Mott MacDonald (UK); in Building Construction, D.R. Horton (USA), Skanska (Sweden), and Turner Construction Company (USA); and in Specialty Trade Contractors, BlueSky Restoration Contractors (USA), PCL Construction (Canada), and Ellis Don (Canada).

Chart 2B examines the net change in sub-sectors relevant to the Construction & Real Estate industry according to LinkedIn. Perhaps it is simpler to focus on the net negatives in this list because there are so many net positive changes. For example, Electric Power Generation, according to LinkedIn, saw a loss of 26% of its executives in the last year (roughly 5,000) who moved to other industries including Utilities, Engines and Power Transmission, and Oil and Gas, among others. The other industries with negative net changes are simply too amorphous to characterize at this high level. In other words, there were lots of smaller idiosyncratic changes without a simple, collective explanation.

It may be important for readers to realize that these Industry Updates are necessarily high level, reporting on aggregate data to provide the "big picture." TBG's clients on the other hand receive access to literally millions of data points as part of their research service, typically first in the form of industry screening data to select candidate employers, and then increasingly detailed information as they home in on target companies and even hiring executives' biographies ahead of key interviews.

Chart 3 presents the special skills that executives cite in their LinkedIn profiles in this industrial segment, excluding the obvious such as "Construction" or "Real Estate". Contractor Management, for example, was the single most common skill, with some 165,000 executives citing this in their profiles. Interestingly, this skill was not in high demand per LinkedIn, at least there were zero help-wanted ads

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noted during the past year for this skill as indicated in the "Relative Demand" column. Please note, that help-wanted ads are part of what TBG calls the published market. They are only about 15% of the total demand—far smaller than the unpublished market where most of TBG's clients land. See the Success Story of one such Construction industry client (Kwasi Asare) below who also landed through the unpublished market.

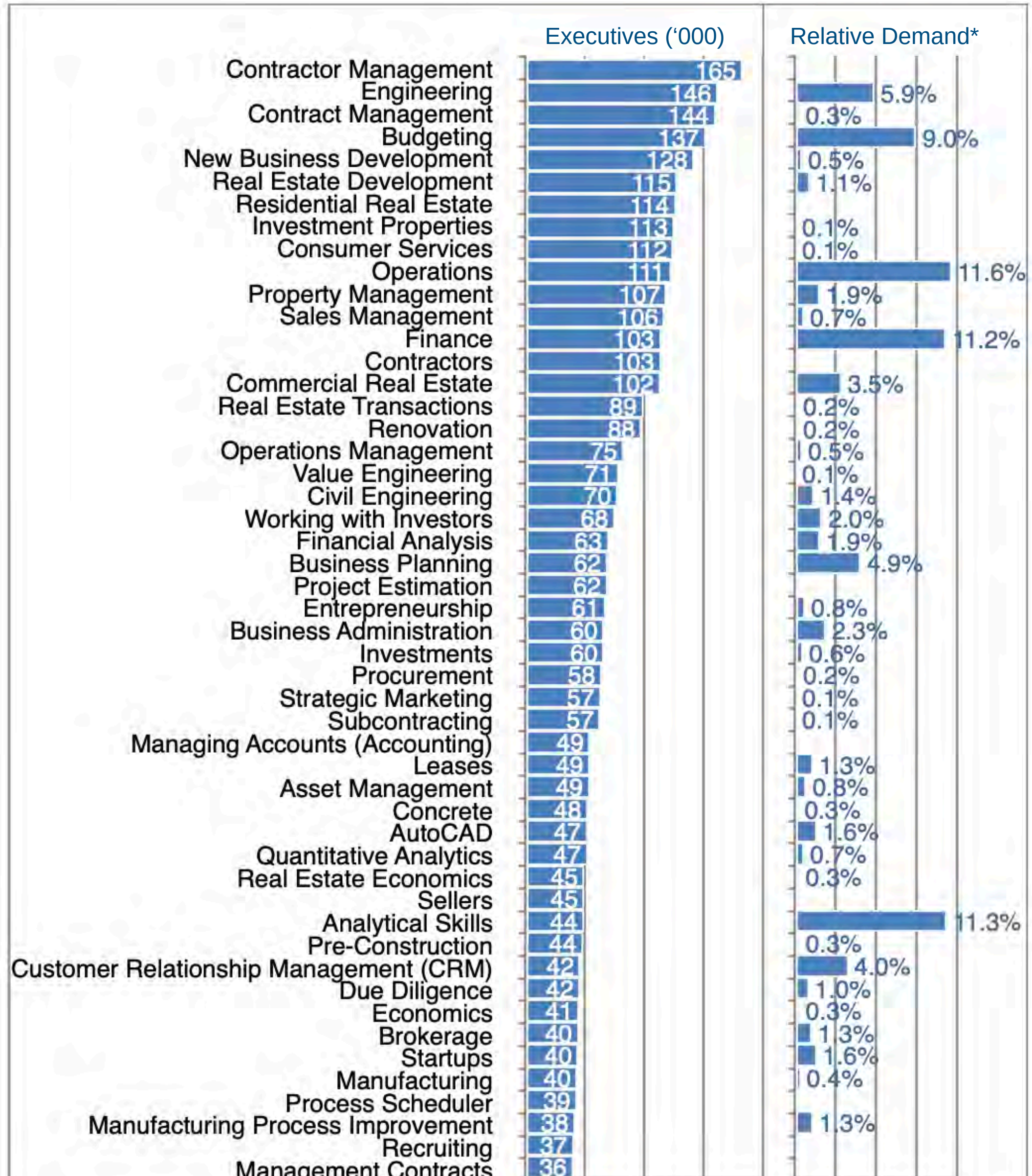
Lately, there is some consistency across industries in the demand for specializations. Budgeting (9% of relative demand), Finance (11.2%), Business Planning (4.9%), and Analytical Skills (11.3%) are all representative of this almost universal demand for numerate executives with analytical skills. This suggests that executives with such skills can change industries with relative ease if they are supported by TBG who brings more than 30 years of experience to bear in repackaging executives' skills so that they are clearly transferable from sector to sector.

Construction Industry Success Story

A 20-year veteran of the company, Kwasi was unprepared for unemployment when the Covid crisis forced corporate restructuring upon the company, eliminating his position.

"I'd never been terminated or laid off. I threw together my resume and sent it to people I had worked with in the past. I started applying to places and I signed up for help from a bunch of executive search firms. I just jumped into it, ignorant of the process. It was not a coordinated or focused approach." [Read More]

Chart 3: Executive Specializations



*Share of help-wanted ads on LinkedIn

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Other skills in Chart 3 are more industry specific, such as Engineering (5.9% of relative demand), Operations (11.6%), and Commercial Real Estate (3.5%). Remember, this is only the published market demand!

Now let us consider who employs all of these executives. Six top employers have between one thousand and three thousand executives each (Chart 4A). Digging deeper, it would appear that JLL's (Chicago, USA) focus is on being recognized as a sustainable and ethical company based on their most recent press releases [see source]. Their 2023 financial results suggest they are also navigating the industry's pitfalls skillfully:

> *"JLL's fourth-quarter and full-year 2023 operating results reflected strong growth within our resilient business lines in the face of the market-wide pullback in transaction activity and elevated geopolitical uncertainty. With a focus on operating efficiency, we drove improved cash generation while continuing to invest in our platform," said Christian Ulbrich, JLL CEO.*
> [See source.]

Chart 4A: Top Employers of Executives

Continuing down the list in Chart 4A, CBRE (Dallas, USA) offers rather similar accolades to JLL, focusing also on sustainability and ethical practices, touting itself as "the world's largest commercial real estate services and investment firm" based on 2023 data. CBRE is also actively acquiring, most recently, J&J Worldwide Services, a provider of hospitals and clinics which "primarily serves the U.S. Department of Defense through long-term, fixed-price contracts." [See source.]

Apparently layoffs were common among real estate brokerages in 2023, and Colliers (Toronto, Canada) incurred $27.7M in restructuring costs in 2023 as it sought to tighten its belt. [See source.] For the full year 2023, "revenues were $4.34 billion, down 3% (3% in local currency) and adjusted EBITDA (note 1) was $595.0 million, down 6% (6% in local currency) versus the prior year." Their full release catalogs changes in the Americas, EMEA, and Asia Pacific illustrating the joys and sorrows of operating as a multi-national, worldwide enterprise. [See source.]

Cushman & Wakefield (Chicago, USA) saw revenues decline in 2023: "Revenue of $9.5 billion and service line fee revenue of $6.5 billion for the year ended December 31, 2023 decreased 6% and 10%…" Their CEO had this to say about the performance: "To strengthen the core of our business and position the Company for long-term growth, we completed two debt refinancings, improved free cash flow, and reduced costs. We remain focused on unlocking meaningful value in 2024 and beyond by continuing to provide insightful advice, specialized expertise and disciplined execution for our clients." [See source.]

Newmark (New York, USA) also saw revenues decline in 2023, down 8.7% on prior year, apparently weighed down by its investment (-37.1%) and commercial real estate operations (-22.1%). Their CEO nevertheless struck a bullish note, commenting "Already in 2024, we hired the preeminent affordable housing team, some of the most prolific and experienced debt and structured finance professionals, as well as one of the most innovative and active U.S. leasing teams. By empowering our extraordinary talent with world-class research, data analytics, and technology, they bring their best to Newmark's clients. We refuse to let complacency impede progress in this rapidly evolving industry, we champion the entrepreneurial spirit." [See source.]

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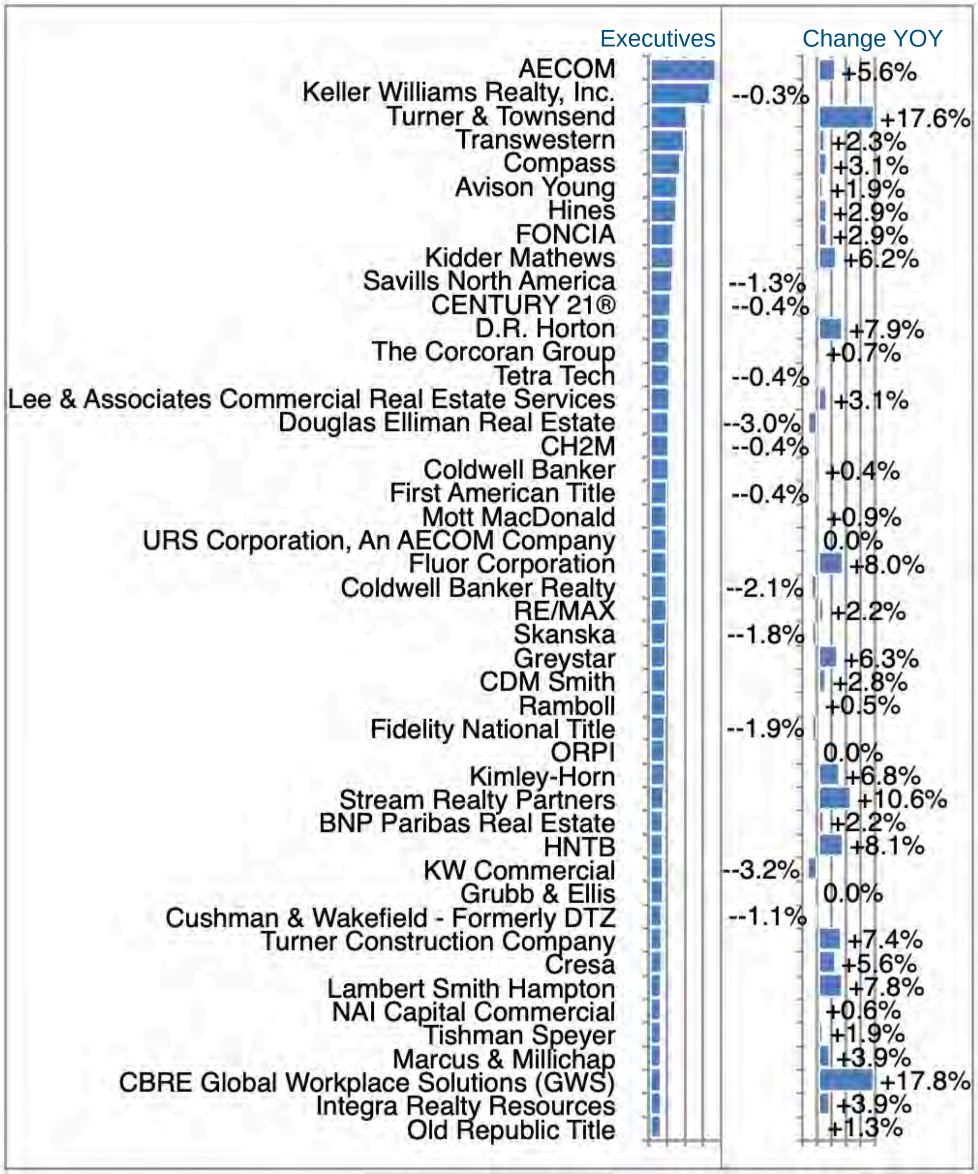
Chart 4B: Major Employers of Executives



Lastly on Chart 4A, Savills (London, UK) reported a modest decline in total revenue for 2023 (-2.6%). Their Chairperson summarized the results as follows, "…the strength of our less transactional businesses underpinned Savills performance overall, growing revenue by 7% to £1.5bn. Prime drivers of performance were Consultancy and Property Management, which performed well, growing revenue by 4% and 11% respectively. […] The Group's Transactional business experienced a 17% drop in revenue during the year as global market conditions remained extremely subdued for longer than anticipated at the start of 2023. This was the primary cause of the 42% reduction in the Group's underlying profit of £94.8m…" [See source.]

Chart 4B adds the remaining major operators in this industry whose executive ranks typically lie below 1,000 (for which reason TBG is not at liberty to reveal the specifics in a publicly available form). Still, readers can easily glean an understanding of who is who and how their respective executive ranks have developed over the past year.

Turner & Townsend (Leeds, UK, 60% acquired by CBRE) stands out in Chart 4B, as do their 2023 results: "Turner & Townsend's income broke the £1bn mark in 2023, with the consultant's turnover and profit both growing more than 30%. Global turnover for the year ending 30 April 2023 was up 39% to £1.2bn, while pre-tax profit hit £155m – up 37% from the £114m recorded the year prior." The company reports that, "Work in the natural resources market accounted for the highest year-on-year growth – up 53% – reflecting significant renewable energy and decarbonisation projects." [See source.]

Stream Realty Partners also added significantly to their executive ranks, claims it had its best year ever in 2023, and has continued to invest in its executive team while improving diversity. "Stream has further strengthened its executive team through key strategic hires. Ariella Middlebrook steps in as the new Chief Financial Officer, while Kate Lengyel assumes the role of Chief Human Resources Officer." [See source.]

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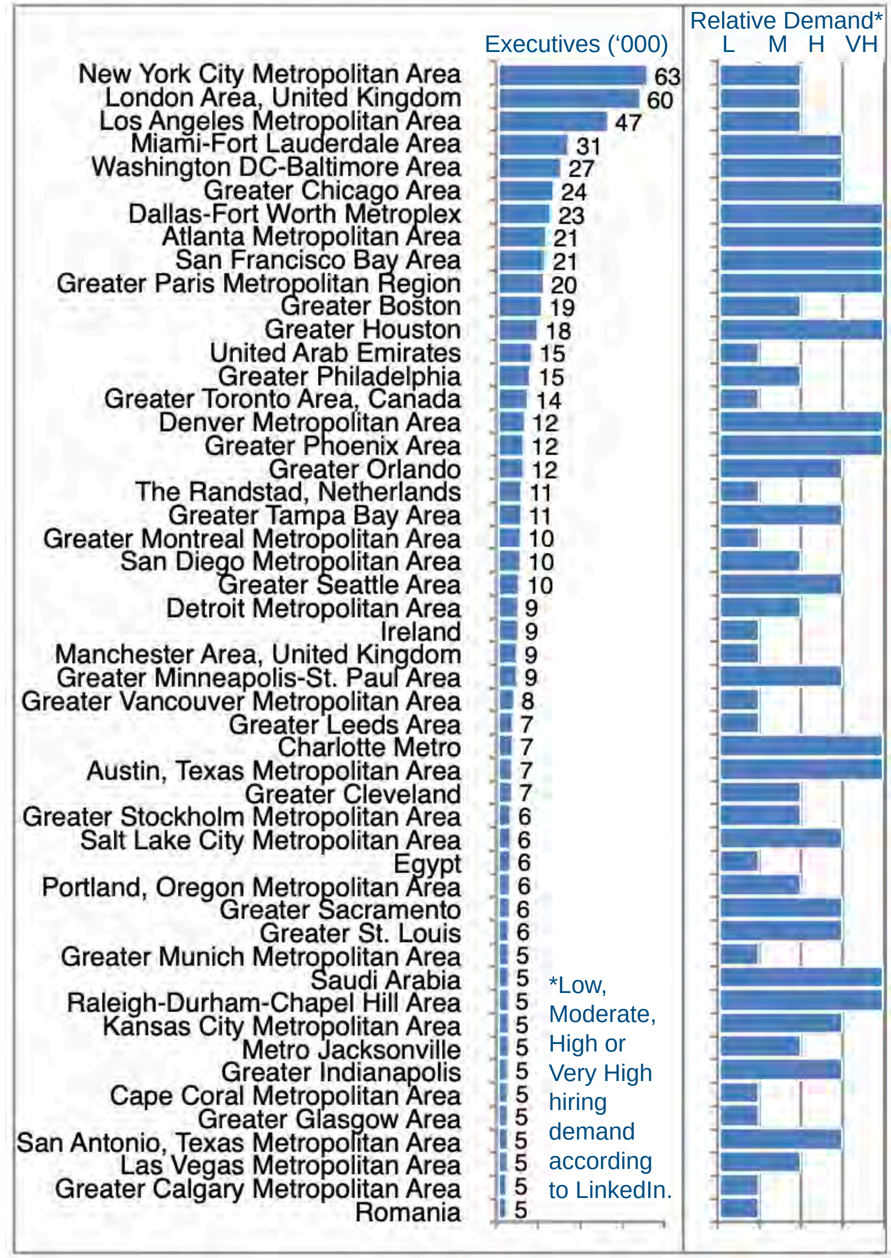
Finally, on Chart 4B, CBRE Global Workplace Solutions added 17.8% to its executive team in the last year. Acquired by CBRE in 2015 and merged with CBRE's internal Occupier Outsourcing services business, the unit became one of three strategic divisions for CBRE in 2019, and now provides outsourced services to CBRE's tenants, among other services. [See source.] In an interesting piece of research, the company writes: "…office space utilization rates, which measure the actual use of space, remain under 40%, a 45% decrease from the pre-pandemic global average of 64%. This suggests that office attendance has plateaued, exposing an imbalance of space supply and demand that will not simply resolve itself without purposeful action such as well-communicated changes to hybrid policy, workplace experience improvements that attract more employees to the office or further reductions in portfolio size." [See source.] No doubt part of the implied right-sizing exercise for many occupants will be the utilization of outsourced resources instead of funding their own headcount.

Chart 5 opens the subject of where executives are employed. Note that the CBRE source quoted above also says that many companies who insist on employees being in the office a minimum number of days per week do a poor job of enforcing this policy. In other words,

Editor's Note:

In this 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, President and Director 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 1 billion 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.

Chart 5: Executives' Employment Locations



the phrase, "location of employment" should perhaps be taken with a grain of salt, so to speak.

New York also features the top three employers of executives in this industry (JLL, Newmark, and CBRE) as the largest in this location. The total population did not grow appreciably in the past year and the hiring demand is rated by LinkedIn as moderate.

In London, Savills, JLL, and CBRE top the bill, but again, the location shows little recent growth in executive headcount and only moderate hiring demand. Los Angeles also offers CBRE, JLL, and Newmark as the biggest executive employers, little immediate growth, and moderate hiring demand.

Miami has also not grown recently in total, though it does show a high hiring demand. It adds Colliers in third place behind JLL and CBRE in the employers' ranking. Washington DC and Chicago also rate high on hiring demand and have had roughly 1% growth in the past year each. JLL, Cushman & Wakefield, and CBRE top the employers' list.

Dallas, Atlanta, San Francisco, and Paris all report very high hiring demand though probably for very different reasons. Remember please that demand can be due to growth or to constrained supply. In these cases, it looks rather like the latter. Briggs Freeman Sotheby's International Realty in Dallas join the top employers ranking behind JLL and CBRE. In Atlanta and San Francisco, the ranking shows CBRE, JLL, and Cushman & Wakefield as the top employers, while in Paris, FONCIA, ORPI, and Egis lead the ranking.

Houston, Denver, and Phoenix all show similar very high demand and a very familiar list of top employers (CBRE, JLL, Newmark and Cushman & Wakefield in various sequences).

A Tale of Two Cities

Property development strategies matter enormously to society.

In the 20-teens, San Francisco focused on attracting businesses through tax breaks and incentives to help the city thrive. [See source.] While the stimulus worked in the short term, when Covid arrived things quickly went into reverse. The city has seen property values plummet due to the pandemic, the rise of remote work, an office space glut, and a general exodus from the state which has lost 1.5 million inhabitants since 2020.

> *The median price of single-family houses In San Francisco dropped to $1.45 million in December [2023], down by 29.6%, or by $610,000 from the nutty peak in March 2022, and below the Decembers in 2022, 2021, 2020, 2018, and 2017, which was six years ago…* [See source.]

> *San Francisco's office vacancy rate hit yet another record high this month [March 2024], climbing to 36.6%, as leasing activity remains muted. The vacancy rate was up 1 percentage point from the end of last year and jumped from 29.4% from the first quarter of 2023, according to preliminary data from real estate brokerage CBRE.* [See source.]

Detroit, on the other hand, once seen as part of the "rust belt" as manufacturing businesses moved overseas, seems to have found a path to rejuvenation.

> *[In Detroit] [r]ock-bottom office rents long ago forced developers to come up with other things to build. They added casinos and sports venues and restored aging theaters. That made downtown less office-dependent, an advantage in the age of remote work.* [See source.]

The city's developers converted many commercial properties into apartments. These attracted smaller businesses and cafes.

> *The city's residential market is also taking off. Home prices in the area are up 40% since 2020, and last fall had the steepest rise among major U.S. metropolitan areas. The number of apartments downtown has more than doubled to 5,903 since 2010, according to the Downtown Detroit Partnership.* [See source.]

Manufacturing

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Introduction

In recent decades service employment has expanded rapidly while manufacturing employment in the US, for example, has fallen from 19.6 million employees (22% of nonfarm employment in 1979) to 12.8 million (9% of nonfarm employment in 2019).

Durable goods manufacturing showed the largest decline (down 4.3 million) while nondurable goods fell by 2.4 million. [See source.] In 2020, "[a]bout 1.4 million U.S. manufacturing jobs were lost during the early days of the pandemic, […] setting back the manufacturing labor force by more than a decade. However, the industry has largely recovered those lost jobs and is now urgently seeking more workers." [See source.] By February 2024, manufacturing in the US again employed almost 13 million workers. [See source.] In fact, the total value of manufacturing output rose to an all-time high of $2.9 trillion on an annualized basis in Q4 2023. However, while overall business productivity has continued to rise over the last decades, manufacturing productivity in the US has declined about 5% since 2011. [See source.]

"The majority of manufacturing firms in the United States are quite small. In 2021, there were 238,851 firms in the manufacturing sector, with all but 3,920 firms considered to be small (i.e., having fewer than 500 employees). In fact, three-quarters of these firms have fewer than 20 employees, and 93.4% have fewer than 100 employees. With that said, the bulk of employment comes from larger firms, with 59.0% of all employees in the sector working for firms with 500 or more employees." [See source.]

In the EU, 2.1 million enterprises employed some 30 million persons in manufacturing in 2021. "The manufacturing sector contributed to one quarter of EU's business economy net turnover, with [€]8.3 trillion, an increase of 16% compared to 2020. This strong increase can partly be attributed to the exceptional[ly] low value in 2020 due to the Covid19 pandemic." [See source.] Nevertheless, "[a]n analysis of Eurostat data by the European Trade Union Institute has found that the number of people employed in manufacturing has fallen by 853,000 since the third quarter of 2019." [See source.] The value of manufacturing activity in the EU declined almost 3% in 2023 to €2.5 trillion after its stiff 14.5% increase in 2022 from the depths of the pandemic. [See source.]

The UK has also seen a significant drop in manufacturing employment from 6.7 million in 1978 to 2.6 million in 2023. [See source.] Output of the UK manufacturing sector is projected to amount to US$737.30 billion in 2024. [See source.] Nevertheless, the relative strength of the UK in manufacturing (ranking 8th biggest worldwide just ahead of France) comes as a surprise.

> *British manufacturing has been remarkably successful. According to the oecd, a club mostly of rich economies, its productivity growth comfortably outstripped that of any other g7 country in the 14 years after the onset of the financial crisis in 2007 […] Gross value added (a measure of output) per manufacturing employee rose by 37.3% between 2007 and 2021, against an average of 12.1% among Britain's peers.* [Economist, October 19, 2023]

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The same source goes on to report that the broad spectrum of manufacturing in the UK, from high tech components to packaged foods, helps to explain this resilience.

In the Middle East, the trajectory is also quite positive.

> *The Gulf's strategic location between Europe, Asia and Africa means it has become an increasingly important global hub for manufacturing. […] Leading local firms like BFG International in Bahrain and the UAE's AquaChemie are becoming increasingly important global players and global companies like Mondelez and Honeywell are investing heavily in the region. As a result of this progress, Bahrain's manufacturing sector expanded by 4.9% in 2022, the UAE's manufacturing production increased by 8.7% and Saudi Arabia's manufacturing activity increased by 18.5% in December 2022 compared to the previous year*. [See source.]

Industrial policy in the Gulf Cooperation Council (GCC) countries underpins this dynamism.

> *The United Arab Emirates' (UAE) Operation 300bn is one of several ambitious government plans in the region which aim to boost manufacturing in the region. The Emirati government hopes to increase the industrial sector's contribution to GDP from $36 billion to $82 billion by 2031 by promoting Industry 4.0 technologies and establishing the country as a global hub for future industries.*
>
> *Saudi Arabia's Advanced Manufacturing Hub Strategy has identified more than 800 investment opportunities totalling $273 billion, all of which are aimed at diversifying the industrial sector. By 2035, Saudi Arabia aims to increase the number of factories from around 10,000 currently to 36,000, including 4,000 of which will be fully automated.*
>
> *In Bahrain, the government's Economic Recovery Plan and Industrial Sector Strategy aims to achieve a $6.6 billion GDP contribution from the industrial sector by 2026. The strategy focuses on embracing Industry 4.0 capabilities, investing in a circular carbon economy, encouraging digital and technological product investments and strengthening industrial infrastructure and local value chains. [See source.]*

Undoubtedly the GCC offers some unique challenges and opportunities, but the lack of qualified talent is universal and some of the solutions are also gaining traction worldwide.

> *A recent Deloitte study indicated that a striking 86% of surveyed manufacturing executives believe that smart factory solutions will be the primary drivers of competitiveness in the next five years.* [See source.]

Some call it "smart factory solutions" while others refer to "industry 4.0." Either way, the recipe is similar:

> *Simply put, modern and advanced manufacturing uses smart technology to expedite and improve production quality. Some common examples of this include:*
>
> - *Additive manufacturing (3D printing)*
> - *Artificial intelligence (AI)*
> - *Laser machining*
> - *Machine learning*
> - *Nanotechnology*
> - *Robotics and automation*
> - *Data analytics*
> - *Cloud computing [See source.]*

In the manufacturing sector, diversity initiatives (DEI) and sustainability strategies have also become ever more crucial in expanding the potential labor pool while attracting talent that might otherwise go elsewhere. On diversity, one source from Canada has this to say:

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> *One of the most effective ways for manufacturing companies to promote DEI is by showcasing diversity in their leadership teams. When potential candidates see diverse leadership, they are more likely to believe that the company values inclusion and equity. Recruiters should actively seek out diverse candidates for leadership positions and provide opportunities for advancement to employees from underrepresented groups.* [See source.]

Nevertheless, "[w]omen currently account for less than one-third of the total manufacturing workforce, and the proportion of Black, Asian, and Latinx employees is only slightly higher at 36%, according to 2022 data from the US Bureau of Labor Statistics." Why is diversity important to the manufacturing industry?

> *It's simple demographic arithmetic: Organizations cannot have a robust talent strategy without a robust DEI strategy. The manufacturing industry is already aware of this, as DEI has made its way to the top of the industry's list of priorities. In fact, manufacturing companies of all sizes are taking the National Association of Manufacturers' Pledge for Action in the industry by 2030: a commitment to taking 50,000 tangible actions to increase equity and parity for underrepresented communities, creating 300,000 pathways to job opportunities for Black people and all people of color.* [See source.]

Sustainable technology has also experienced growing support through industrial policy in many countries. In the US, for example, record investment in new infrastructure and green technology is facilitating a significant retooling of manufacturing processes.

> *[…] investments in semiconductor and clean technology manufacturing are nearly double the commitments made for these sectors throughout 2021, and nearly 20 times the amount allocated in 2019. Since passage of the IRA, close to 200 new clean technology manufacturing facilities have been announced—representing US$88B in investment—which are expected to create over 75,000 new jobs. There has been a significant increase in construction spending in the manufacturing industry after the passage of the IIJA, CHIPS Act, and IRA. As of July 2023, annual construction spending in manufacturing stands at US$201 billion, representing a 70% year-over-year increase and setting the stage for further industry growth in 2024.* [See source.]

Such investment in sustainability is certainly welcome and needed because "[a]ccording to a 2023 US Environmental Protection Agency report, the manufacturing and raw materials industries were responsible for 23% of greenhouse gas emissions in the US." With respect to industry commitment, "[a] 2022 study by consultancy Climate Impact Partners notes that 42% of the companies in the Fortune Global 500 have delivered on a significant climate milestone or have committed to do so by 2030." Altruism is not the only motivator: "…40% expect to generate value in the next five years [through sustainability]. That value includes cost savings related to decreased energy usage and more-engaged customers." [See source.]

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Bottom line, the manufacturing industry is in steep competition with other industries for talent at all organizational levels. Strategies to expand the pool of potential employees such as DEI initiatives, upskilling current employees, retaining associates, and enhancing the efficiency of available human talent are all critical to success in the future.

Increased automation, though, is probably the key to survival. The internet of things (IoT) crops up significantly in this area, as companies seek to link their assets digitally, digitize their processes, update their software automatically, introduce remote piloting, and even explore UAM (unmanned autonomous machine) operations.

> *Industrial manufacturers use IoT location data to track assets in their supply chains. And they monitor the temperature, humidity, and vibration frequencies of their machines, alerting users to potential failures or uploading software fixes directly to those machines.* [See source.]

Deloitte suggests that "over 70% of surveyed manufacturers have woven technologies such as data analytics and cloud computing into their processes, and nearly half are already harnessing the power of IoT sensors, devices, and systems."

> *These technologies are also foundational to the industrial metaverse. In addition, the majority of surveyed manufacturers have made significant investments in digital twins, 3D modeling, and 3D scanning, which can serve as key building blocks of the immersive 3D environments that make up the industrial metaverse.* [See source.]

Clearly, the required skill profiles of executives in the manufacturing space are evolving rapidly so that an understanding of "the industrial metaverse", artificial intelligence, IoT, process digitization, 3D printing, drone operations, electrification, sustainability, DEI, etc.—all of these topics' relevance has risen dramatically since the pandemic. As noted above, industrial policy is helping to power part of this transition, but the rest will have to come from other sources.

Apparently, private equity (PE) has provided $1.4 trillion to more than 11,000 manufacturers in the US over the last decade. In fact, "[e]ach year, nearly 1,000 manufacturers take on new PE investments, and it is not uncommon to see at least $100 billion channeled into these companies in any given year." [See source.]

But PE is not only providing capital. One source suggests their impact is far broader. "Focusing on the triple bottom line—people, planet, and profit—PE firms increasingly align their pursuits with the broader community's welfare. PE-backed manufacturers are taking on the mantle of community stewardship by investing in sustainable practices, fostering local employment, and contributing to the socioeconomic fabric of the community." [See source.]

Now that we have sketched manufacturing's major challenges and potential solutions, let us turn our attention to the executives whose energy and skill will guide the course of this critical industrial sector for decades to come.

The Market for Executives

At over 1.5 million executives as we define them (See Editor's Note), this is undeniably a large executive market, even though it has shrunk by 1% over the past year. More than 46,000 also changed jobs, a "churn" rate of 3%. While the overall decline is understandable given the industry dynamics laid out in the introduction, the rapid changes in the hiring demand profile and the relatively high churn rate suggest there is still plenty of executive opportunity in this industry.

The US and Canada account for about 746,000 executives (-0.7% change YOY) and more than 18,000 job changes. The EU and UK add another 692,000 execs (-1.0%) and a further 24,000 career changers. The Middle East comprises additionally 98,000 executives (-1.0%) and over 3,000 job changes. LinkedIn suggests that the hiring demand remains high overall. Currently, female executives constitute no more than 19% of the total executive population in this industry.

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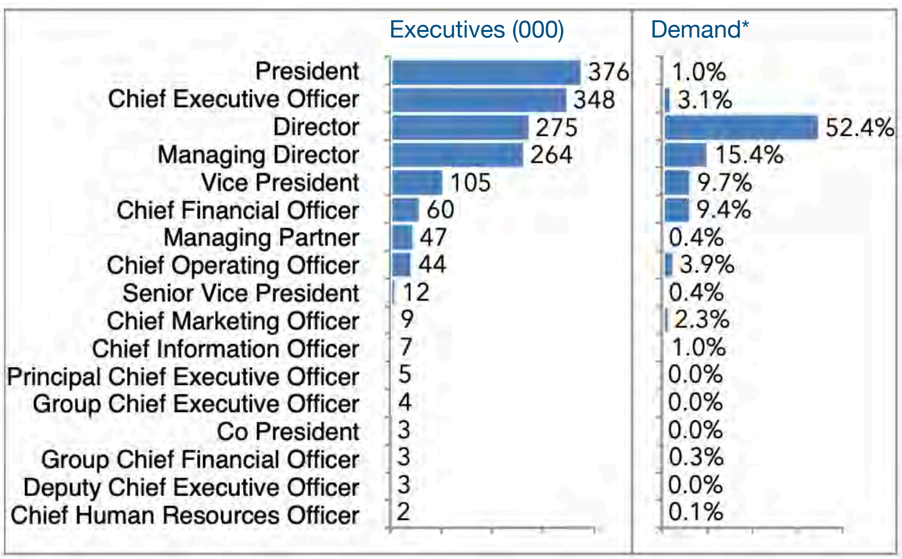
Chart 1 reviews the share of titles across this industrial grouping. As mentioned in the introduction, the vast majority of manufacturing companies are small which explains the large number of Presidents and CEOs. However, the recent demand was clearly for the Director title—more than 50% of all help wanted ads. Note too that these ads represent the published market whereas the vast majority—some 75%—of The Barrett Group (TBG) clients land via the unpublished market. These latter opportunities are generally so new that they have not been formalized as position descriptions and in many cases do not even have compensation parameters. This means that TBG's clients have more latitude to help define their roles and pay packages with little competition since the position typically has not been advertised.

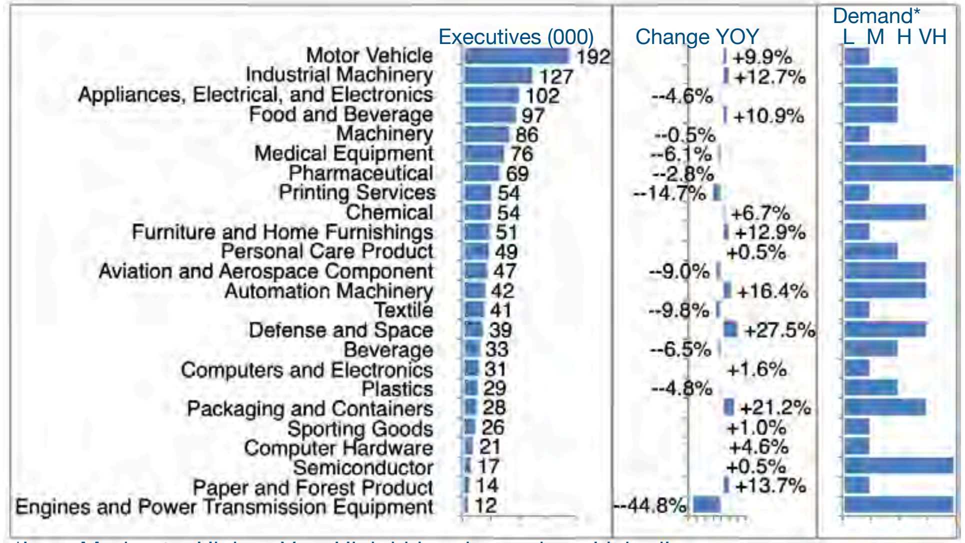
Only the CFO and Chief Marketing Officer titles on Chart 1 attract a higher than average share of female executives at 29% and 39% respectively. Predictably, the Chief Human Resources Officer (of which there are only two thousand) comprises 59% female execs.

Chart 1: Top Executive Titles



*Share of LinkedIn help wanted ads for this cohort in the past year.

Chart 2: Executive's Industries



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

Chart 2 depicts the industries employing the most manufacturing executives, their historical change year on year, and the forward-looking demand per LinkedIn. It seems reasonable to assume that the rapid evolution of electric vehicles is negatively affecting the Engines and Power Transmission Equipment industry (-44.8%), although the very high hiring demand indicates a possible supply bottle neck as well. Printing (-14.7%), too, has been in decline longer term as digital media continue to take share. Textiles (-9.8%) are one of the nondurable manufacturing categories that have moved steadily to China and particularly Southeast Asia.

In Chart 3 we highlight the specializations that executives note on their LinkedIn profiles. Interestingly, Sales Management and New Business Development top the list while showing a relatively soft demand profile. Analytical Skills (16.7%), Operations (11.3%), Finance (6.8%), Engineering (6.2%), and Budgeting (5.9%) seem to be the specializations most in demand, although, again, these represent only the demand in the published market—the executive market segment in which only about 25% of TBG clients land.

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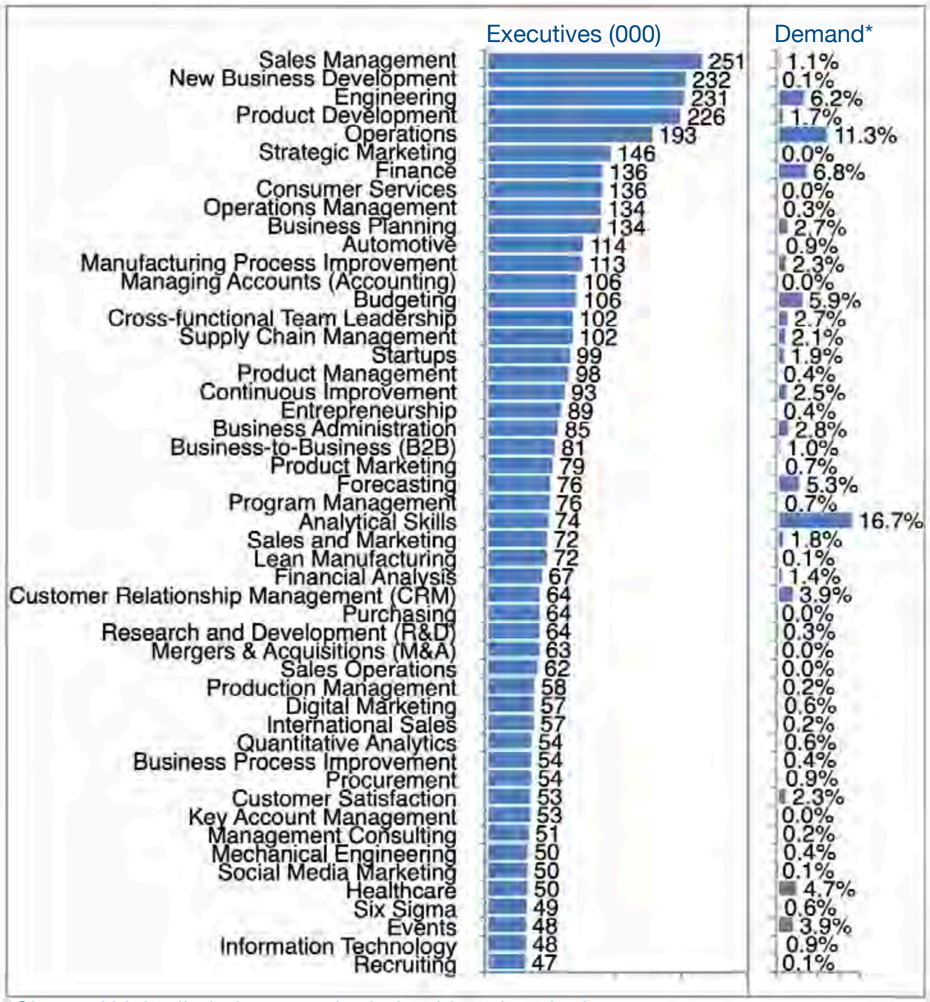
Chart Three: Executives' Specializations



*Share of LinkedIn help wanted ads for this cohort in the past year.

Another dimension of the specializations in Chart 3 is each skill's transferability or lack thereof. For example, Manufacturing Process Improvement, Lean Manufacturing, and Production Management are all rather specific skills associated with manufacturing that may not be so easy to transition to alternative industry verticals.

Sales Management, New Business Development, Engineering, Operations, Strategic Marketing, etc. on the other hand are potentially more generic in nature and could be just as valuable in another area of commerce. TBG specializes in helping executives move between industries by leveraging their transferable skills and developing coherent and compelling explanations as to why their experience and achievements are highly relevant to any new targeted area of endeavor. Particularly analytical and financial skills seem to be hotly in demand essentially in every industry vertical that we study.

Samantha's Success Story

Here is an example of how TBG helps clients rethink and retell their stories more successfully.

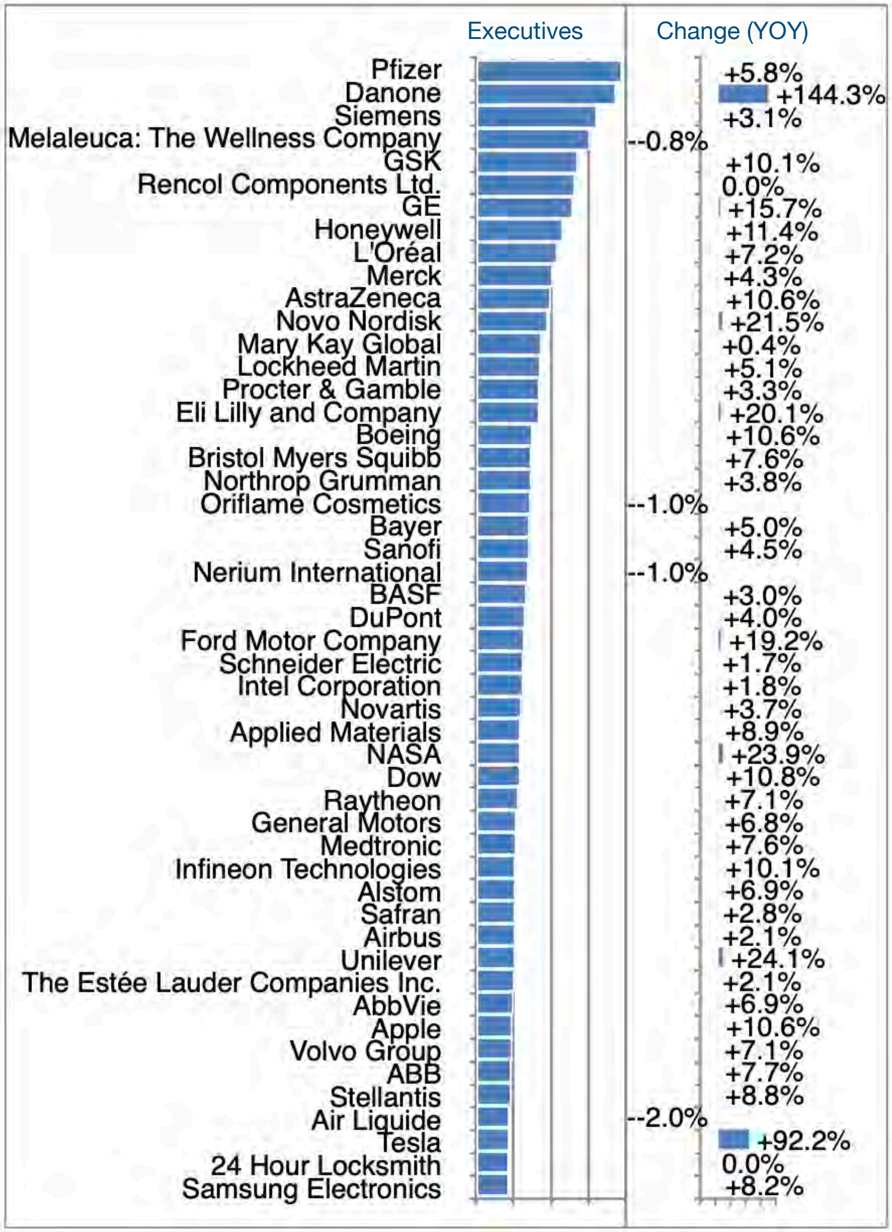
Read More

"My consultant, George Schulz, took me through a spreadsheet of potential interview questions and coached me on how to answer them. The biggest takeaway for me was the importance of giving answers that don't focus so much on the achievements I want to share about myself but what the hiring manager wants to hear. That was mind-blowing to me! That was the first time I'd ever heard that. George taught me how to identify the company's needs and speak specifically to how I can meet those needs. The goal is to convince them there is no better choice than me."

In Chart 4 we turn our attention to the companies that employ executives in this industry. Because the numbers would be meaningless if rounded to the nearest thousand as required by our data provider (LinkedIn) we leave off the exact numbers, but the top of the chart ranges between 1 and 2 thousand per company and the bottom just a few hundred. In terms of growth, Danone certainly stands out with the kind of change that only acquisitions typically confer. And Danone has indeed been active. One source reports

INDUSTRY UPDATE: Manufacturing

Chart 4: Executives' Employers



that the French company "has made 22 acquisitions across sectors such as Food & Beverage Products, Nutritional Formula, Consumer Digital - Europe and others". In 2023, Danone added a health services business in Poland (ProMedica) and is investing a further $50 million in expanding manufacturing in the same country. [See source.] Danone is also involved in a renewal plan to reassure shareholders and as a result agreed to sell its New Horizon food brand. The winnowing of their portfolio continues. [See source.]

Other than acquisitions, the coming and going of executives at Danone represents a who's who of food, cosmetics, pharmaceutical, and consumer businesses including Unilever, PepsiCo, Mondelez, L'Oreal, Reckitt, Mars, Nutricia, and Abbott among others. According to LinkedIn, Danone's recent net executive hiring favored the pharmaceutical and manufacturing specializations.

Tesla's executive ranks also grew an impressive 92.2% in the period (before announcing dramatic changes in early 2024). One of the reasons for growth was yet another acquisition, this time of Wiferion, which "develops and provides contactless inductive wireless energy systems intended for industrial and mobile robotics applications". [See source.] Net executive hiring at Tesla in the recent period has been mainly from Amazon, Apple, and Meta, suggesting that their immediate focus is less on manufacturing and more on software development.

Several pharmaceutical companies boasted significant increases, including Novo Nordisk (+21.5%), Eli Lily and Company (+20.1%), and GSK (+10.1%). Novo Nordisk added Vice Presidents, functional Heads, CFOs and unit CEOs mainly hiring from competitors in Copenhagen, Madrid, Boston, Stockholm and Oxford (UK). Eli Lily added Vice Presidents, as well as several CTOs and unit CEOs mainly from competitors in US cities (San Francisco, Boston, Washington DC, and San Diego) but also in Frankfurt, Germany.

Unilever also added 24.1% to its exec staff, including Heads of function, unit CEOs, Vice Presidents, CFOs and CTOs mainly drawn from direct competitors such as Diageo, Lipton, and Mondelez with an emphasis on London, India, New York, The Randstadt (Netherlands), Pakistan, Paris, and Jakarta. Skill-wise their focus appeared to be FMCG, Finance, Forecasting, Consumer Insight, Business Planning, and Supply Chain.

INDUSTRY UPDATE: Manufacturing

Continuing on Chart 4, GE's executive cohort grew 15.7% in the period driven by Business Development and Information Technology hiring per LinkedIn with significant growth in New York City, Atlanta, Dallas, and Los Angeles as well as Hong Kong, Bangladesh, Delhi, and London.

Ford Motor Company's executive team grew by 19.2% adding both functionally and geographically with a certain emphasis on Asia (Vietnam, India, Pakistan, and Bangladesh), but also Europe (Cologne, Paris, and London).

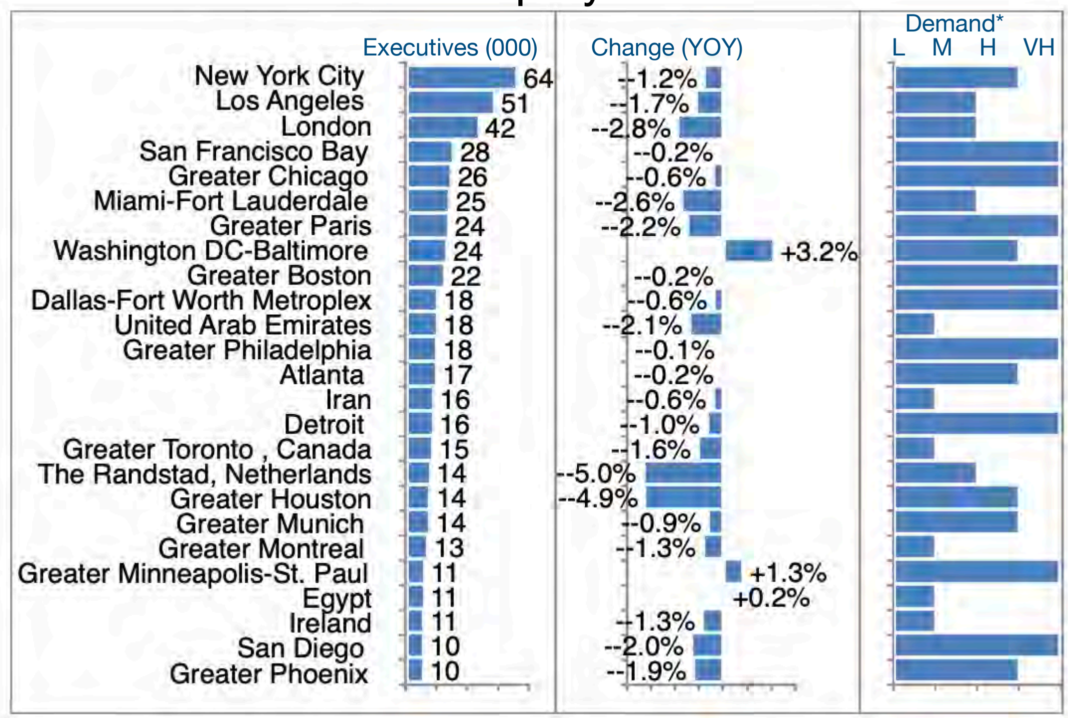
Of course, the information in this Industry Update must be kept relatively high level given its general nature. Naturally, TBG clients receive significantly more granular data via their career change consulting teams as they conduct broad industry screenings, and then focus on target employers before diving deeply into companies prior to interviews.

Logically, given the overall industry dynamic, most locations in Chart 5 show a decline in executive employment. Nevertheless, the hiring demand perspective (which is more forward-looking or reflects scarcity of qualified talent) tells a different story with numerous locations showing high or very high hiring demand per LinkedIn.

First among these is San Francisco where Applied Materials, Apple, and Western Digital are the top employers of manufacturing executives. In Chicago, AbbieVie, Motorola Mobility, and MedLine Industries LP hold this honor. In Paris, L'Oreal, Safran, and Renault Group top the bill. Pharma reigns supreme in Boston where Takeda, Pfizer, and Sanofi are the top executive employers in this field.

Lockheed Martin, Alcon, and Texas Instruments hold the top ranks in Dallas. Merck, GSK, and Pfizer top the charts in Philadelphia. While in Detroit, General Motors, Ford Motor Company, and Stellantis employ the most manufacturing executives.

Chart 5: Executives' Employment Location



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

Editor's Note:

In this 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, President and Director 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 1 billion 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.

Financial Services

INDUSTRY UPDATE: Financial Services

Introduction

Financial Services seems to be a growth industry just at the moment, encompassing more than 1.2 million professionals in The Barrett Group (TBG) core geography [see Editor's Note for definitions] having grown by 3% in the past year. In total, more than 86,000 Financial Services executives changed jobs in the past year in these regions.

That is a lot of movement.

Let's begin with a better understanding of what disciplines Financial Services actually comprises.

The National Archives in the US shares this definition:

"The term *financial services* includes loans, transfers, accounts, insurance, investments, securities, guarantees, foreign exchange, letters of credit, and commodity futures or options." [See source.]

If that seems a bit broad, the IMF agrees, commenting:

"At its heart, the financial sector intermediates. It channels money from savers to borrowers, and it matches people who want to lower risk with those willing to take on that risk."

But the IMF goes on to acknowledge…

"…distinctions within the financial sector are not neat…" [See source.]

That is quite an understatement, but it is also very true. There is considerable potential for overlap in the activity of financial executives. LinkedIn attempts to separate the inseparable in Chart 1, which shows the share of executives in each major sub-industry based on their LinkedIn profiles. However, because distinctions are not "neat", there is still a catch-all subcategory ambiguously called "Financial Services" that The Barrett Group (TBG) understands as containing all of the other services not enumerated in the other categories: for example, accounting, tax advice, or CPA services.

Why is this overall industry apparently growing relatively fast? The answer is that this is not the staid and traditional business prior generations experienced. There is enormous change occurring both internally and externally to the industry itself. Let us look at some of the largest segments to illustrate. (See Chart 1.)

Chart 1: Share of Executives (Primary Sub-Sector Engagement per LinkedIn)

Banking, for example, had a reasonable year in 2023, benefiting from higher margins due to higher interest rates but it also suffered from lower trading and deal-making revenue, as well as one-off charges.

INDUSTRY UPDATE: Financial Services

McKinsey had this to say in October of 2023, “The past 18 months have been the best period for global banking overall since at least 2007, as rising interest rates have boosted profits in a more benign credit environment.” [See source.] But the sector also took some hits, particularly in the last quarter of the year in the US: “Fourth quarter net income for the 4,587 FDIC-insured commercial banks and savings institutions declined by $30 billion (43.9 percent) from the prior quarter to $38.4 billion. […] it is estimated that 70 percent of the decrease in net income was caused by specific, nonrecurring, noninterest expenses at large banks.[…] These expenses include the special assessment, goodwill impairment, and legal, reorganization, and other one-time costs.” [See source.]

As interest rates begin to decline later in 2024, the higher rates banks promised to depositors will become a margin drain, too, so that lenders will have to look to other sources of income going forward. “Bank profitability in many regions will be tested in 2024 due to higher funding costs and sluggish revenue growth […] However, banks with more diversified revenue streams and a strong cost discipline should be able to boost their profitability, and possibly their market valuation, more than most.” [See source.]

To enable this development of new income streams, banks will need to innovate. “Many banks will also continue to invest in technology to remain competitive. Attracting talent in specialized areas such as artificial intelligence, cloud, data science, and cybersecurity should bump up compensation expenses, even as banks rationalize in other areas. In addition, tight labor markets and accelerated wage growth in traditional offshore locations should add to the industry’s cost pressures.” [See source.]

In other words, in addition to innovation, cost containment will also be a major priority for the banking industry. While this may lead to downsizing in lower value-add activities, it probably represents opportunity for executives with the skills most in demand who may well come from alternative industries.

As far as Investment Management is concerned, “Investment management companies are now facing new threats and uncommon opportunities in the postpandemic business environment. Even though some asset classes performed better than others, overall industry performance across asset classes remained subdued, driven by various economic and industry pressures. The difficult operating environment is causing many firms to reconsider larger M&A deals in favor of smaller, more tactical ones. In addition, firms also seem more selective to transformative projects with an eye towards shorter duration projects that balance cost cutting with innovation.” [See source.]

Artificial Intelligence as well as global factors such as climate change and the slowdown in China are both buoying and depressing investment markets, making it ever more challenging to provide exceptional returns. Technology, customer-centricity, and theme investing (e.g., environment, ESG, digital currencies, etc.) are all likely to take on fresh relevance in these challenging circumstances.

The Insurance segment has seen horrific damage from climate change-driven weather events in past years, causing many in the industry to rethink the focus on cleaning up after the catastrophe versus actively minimizing damage in advance. “Existential threats, such as catastrophic climate change, the explosion in cybercrime, and concern over vast uninsured and underinsured populations, are driving many insurers to reimagine how to confront disruptions caused by the changing environment and help consumers across all segments prevent or mitigate risks before they occur, rather than merely paying to rebuild and recover after the fact. Even while the most extreme events may appear unavoidable, insurance combined with proactive risk management can still help minimize the degree of their impact on affected individuals and communities[.]” [See source.]

The same source continues, “To achieve this level of transformation, insurance companies may need to adopt new technology, including generative AI, to harvest actionable insights from any new data at the industry’s disposal. Industry convergence for access to more information sources, products, and services, as well as talent with the skill sets and know-how of emerging capabilities are becoming table stakes.” [See source.]

In other words, the Insurance sub-industry will most likely also need executives with new skill sets, implying new career opportunities. Of

INDUSTRY UPDATE: Financial Services

course, one method of accelerating transformation is to acquire companies that have the desired capabilities rather than to build them from the ground up. PWC reports that in their latest survey of financial services CEOs, 47% expect to make an acquisition within the next three years. [See source.]

For the wealth management side of the industry, merger and acquisition (M&A) can add specialist capabilities, for example, in environmental investment or it can bolster sluggish organic growth and help companies achieve scale that allows them to invest in accelerating the digitization of business processes, continued migration to cloud computing, and, of course, AI.

In the Insurance sector, the scope for M&A is large due to the relatively unconcentrated state of this market place, particularly in Europe and the Middle East. Also, a re-examination of legacy risk portfolios is underway, and a reshuffling of risk exposure is highly probable with specialist firms gathering up risks they feel particularly competent to manage while others gladly exit. Consumers in the US have already seen some of the first instances of this migration as major insurers decided to no longer serve Florida or California due to extreme storm or fire exposure.

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Private equity drives or at least lubricates many of these M&A transactions, with specialist teams focusing on specific segments and portfolios. "Investors with increasing specialisation in FS [Financial Services], dedicated FS teams and increasing fund volumes are focusing on FS and FS-related topics such as insurance brokerage, payments, platforms, fintech, insurtech and regtech. Hence, we expect to see further M&A activity in these areas. However, with PE investors facing greater pressure on returns due to the higher cost of capital and limitations regarding leverage, a focus on value creation will be more important than ever." [See source.]

Payments represent another avenue with a lot of life at the moment though it is intimately connected to the bubbling caldron we generally call FinTech. [See our *FinTech Spotlight*.] As funding becomes more scarce for these ventures due to higher interest costs, the M&A route to capital has perked interest in the sub-sector. Overall, "2023 was a difficult year for the fintech market globally, with both total fintech investment ($113.7 billion) and the number of fintech deals (4,547) experiencing their weakest results since 2017." [See source.]

The decline in FinTech investments was widespread in 2023 with Asia/Pacific showing the largest drop (down $40 billion), EMEA down by half to $24.5 billion, and the Americas looking relatively robust at $78.3 billion (down just $17 billion year on year). Payments accounted for the largest share of investment, even as it dropped by $37 billion, but the property and insurance subsegments of FinTech both attracted more investment than in 2022. In total, KPMG describes the current FinTech investor sentiment as "restrained." [See source.]

Longer term, "The fintech sector, which currently holds a 2% share of the $12.5 trillion in global financial services revenue, is estimated to grow up to 7%, of which banking fintechs are expected to constitute almost 25% of all banking valuations worldwide by 2030." [See source.] Forbes seems to agree with this bullish outlook because, "Fintech is bringing about change by making it easier for underbanked and unbanked populations to obtain financial services. Access is being democratized through fintech at a level that has yet to be seen through traditional banking methods." [See source.]

McKinsey also sees FinTech as a catalyst: "Banking is facing a future marked by fundamental restructuring." The mass acceptance of digital banking means FinTech now enjoys a similar level of consumer trust versus traditional, branch-based retail banking but with far lower operating costs. Embedded finance, buy-now-pay-later options, and expanded B2B services also contribute to the acceleration in FinTech adoption, leading McKinsey to predict that, "…revenues in the fintech industry are expected to grow almost three times faster than those in the traditional banking sector between 2022 and 2028. Compared with the 6 percent annual revenue growth for traditional banking, fintechs could post annual revenue growth of 15 percent over the next five years." [See source.]

Nevertheless, the free-for-all that has characterized the early days of FinTech may well be over as here, too, investors are far more selective in the current environment. McKinsey says the preferences have shifted to:

- sustainable business models,
- cost containment,
- focused (selective) growth,
- expansion into adjacent segments and geographies, and
- programmatic M&A—all while
- keeping the culture alive. [See source.]

To address one more elephant in the room, we relentlessly hear that AI will be a game changer, also in Financial Services, but how, and when? The specifics are still a bit vague.

One source tells us that 60% of surveyed banks believe that AI will be mainstream in the industry within two years while 45% say they have already adopted some aspect of AI. Allegedly AI will bring benefits by managing direct conversational interactions with customers, automating mundane tasks, enhancing fraud detection, and cherry-picking big data volumes to minimize risk. For example, Socure, an identity verification enterprise reports that their AI system results in "13x fewer false positives when it comes to fraud detection and up to a 90% reduction in manual reviews of identities." [See source.]

AI may also be able to grow the top line: mass personalization is a phrase we have heard many times before, but with AI rapidly assessing masses of data, the dream may well become a reality as systems identify specific consumer needs and quickly offer tailored insurance, loan, or investment opportunities that perfectly match a customer's requirements while taking into account the risk that particular customer represents to the service provider.

Such personalization may lead to higher customer satisfaction and therefore higher utilization rates by improving customer experiences. Investors can also benefit from similar personalization extracted rapidly from masses of data: "Based on big-data analysis, AI-powered tools can help to optimise portfolios, analyse market sentiment and events, and generate risk profiles for traders, allowing firms to offer their clients the most adequate investment products. Investment managers are also increasingly using AI and automation to mine the large amounts of qualitative and unstructured data needed for environmental, social and governance (ESG) scoring." [See source.]

In short, AI has the potential to reduce operating costs while growing revenue. The only fly in the ointment may be adequately protecting customer data. In this context, AI seems poised to both reduce fraud and cybercrime while simultaneously facilitating criminal activities by enabling deep fake voice imitation or allowing the infiltration of machine learning systems before their operators really recognize the new vulnerabilities. [See source.]

Obviously, these are exciting times in the Financial Services industry that demand skilled executives to manage myriad threats and opportunities. Let us now examine the population of execs engaged in juggling these weighty questions day to day.

INDUSTRY UPDATE: Financial Services

The Market for Executives

As noted in the introduction, TBG counts about 1.2 million executives in this industry (see Editor's Note for definitions). The cohort is growing relatively fast (+3%) and there is fairly strong "churn" so that within the defined geography in total some 86,000 execs changed jobs in the past year. Even so, the average tenure is quite long at 4.4 years. Only about 25% of these professionals are female, ranging from a low of 16% in the Middle East to 23% in the EU and UK and a high of 26% in the US and Canada.

More specifically, here is how the regions compare:

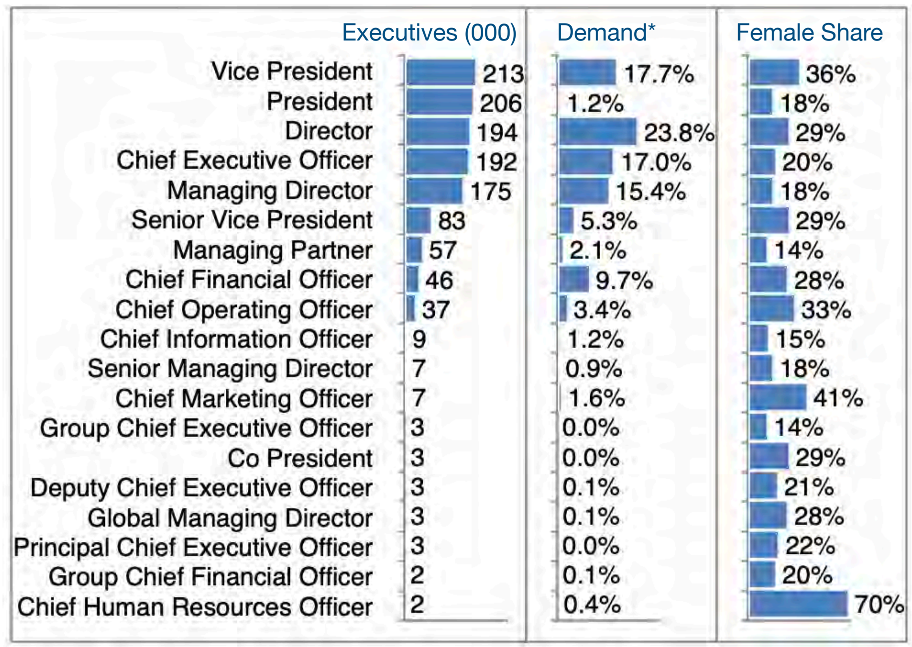
	Executives	Job Changers	Growth Rate
US & Canada	807,000	32,000	+2% YOY
EU & UK	354,000	16,000	+3%
Middle East	55,000	3,000	+5%

Chart 2 explores the titles these executives post on their LinkedIn profiles. The structure is one of a relatively concentrated industry with, for example, fewer CEOs than Vice Presidents. Note that LinkedIn requires TBG to round to the nearest thousand in these analyses, hence the long tail of similar values at the lower end.

While "help wanted ads" are only part of the market, they nevertheless give us a snapshot of demand for various titles. In the "Demand" column readers will see the relative interest in hiring Directors (23.8% of all help wanted ads on LinkedIn in this cohort) versus Vice Presidents (17.7%), CEOs (17.0%), Managing Directors (15.4%), and CFOs (9.7%). Clearly, in this industry there has been a healthy and broad demand for talent over the past year.

Even while the overall share of female executives may be low in this industry, the shares vary considerably based on role. As usual, the human resources responsibility comes in very high (70% female), followed by Chief Marketing Officer (41%) and Vice President (36%). Other key roles such as CEOs (20% female), Presidents and Managing Directors (both 18% female) remain predominantly in male executives' hands. Regardless of women's obvious capabilities, it seems that, unfortunately, the glass ceiling still holds back women in this industry even as it slowly erodes. If this interests you, see TBG's Industry Update on Female Executives for more information on this subject.

Chart 2: Executive Titles

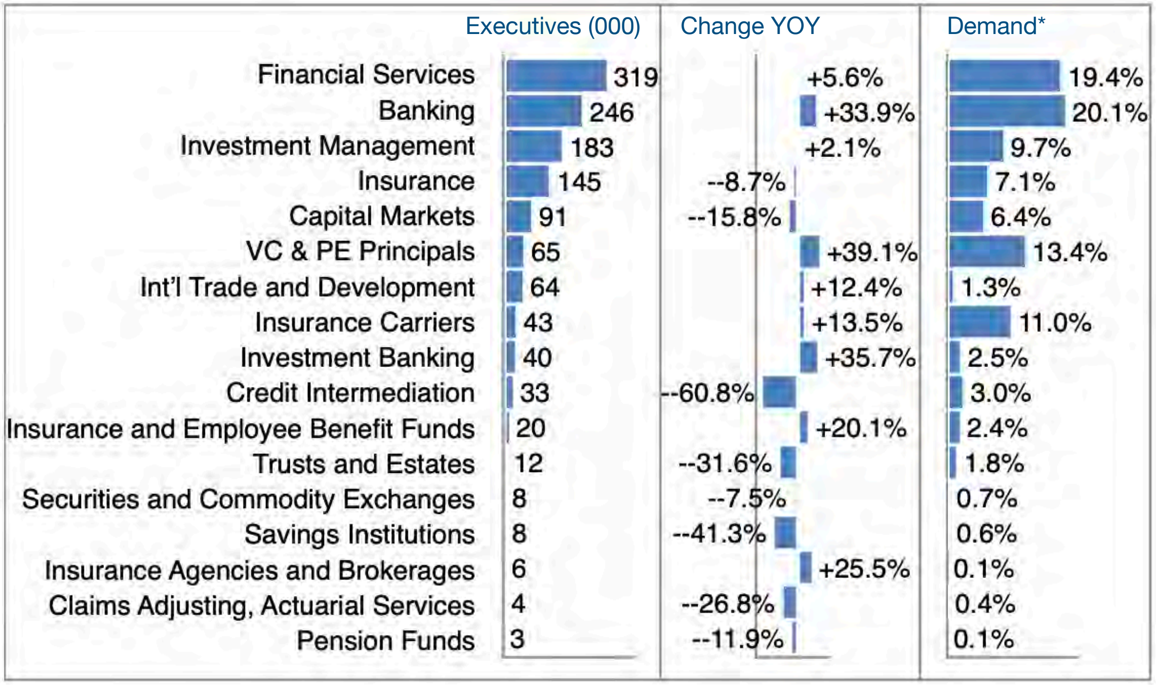


*Share of help wanted ads posted by firms in this industry on LinkedIn

Chart 3 summarizes the major sub-sectors participating in the Financial Services industry with the continuing ambiguity that some sub-sectors remain lumped together. Nevertheless, some segments are clearly growing while others retrench.

INDUSTRY UPDATE: Financial Services

Chart 3: Executives' Primary Industry



*Share of help wanted ads posted by firms in this industry on LinkedIn

Credit Intermediation clearly had a rough year, down some 60.8%. Bloomberg confirms: "The US Bureau of Labor Statistics reports that the number of people working in credit intermediation and related areas fell by 2.1% last year, the steepest drop since the global financial crisis." This statistic refers to total employment, of course, not just executives. The source goes on to allude to the use of automation to eliminate some of the previously manual activities in this area. [See source.]

In fact, for overall employment (not just executives), "20 of the world's largest lenders cut at least 61,905 jobs [in 2023]. It was one of the worst years for job cuts at banks since the 2007-2008 financial crisis, when banks eliminated 140,000 positions." The same source identified the largest downsizing at UBS after the Credit Suisse acquisition (some 13,000 fewer roles), and Wells Fargo (another 12,000) in 2023. [See source.] This explains much of the negative developments in Chart 3.

Insurance and Claims Adjusting are also showing significant reductions. "In 2023, Farmers cut 2,400 jobs — 11% of its workforce. GEICO eliminated 2,000 positions and Liberty Mutual cut 850 jobs. From big brands to insuretechs like Hippo that laid off roughly 20% of its employees, the cuts are undeniable. […] CEOs cite several drivers behind their decisions, from restructuring to improving efficiency to automation to re-evaluating product offerings." [See source.]

Are the cuts in Insurance indicative of an AI-induced bloodbath? One insurance industry source has this to say:

"AM Best said the layoffs are likely cyclical rather than structural — in other words, fluctuations driven by the business cycle rather than changes that render current employees' skills obsolete or that replace jobs with automation. With AI dominating the headlines, there's a temptation to conclude that artificial intelligence is replacing people, but AM Best cautions that it's too soon to tell." [See source.]

The source goes on to underline the currents highlighted in our introduction. To repeat, there is a lot of reassessment of risk portfolios going on and that is, of course, impacting the skills and workforce required to manage the business.

On the positive side of the ledger, the top employers of executives in the ambiguously named catch-all "Financial Services" sub-sector per Chart 3 including KPMG, CEO, and CIBC US all report strong staffing demand. They specialize in areas such as audit and tax advice, ESG investing, and private banking.

In the Banking segment, First National, Wells Fargo, and PNC illustrate the turbulence in this sub-sector. While First National and PNC were relatively stable, Wells Fargo apparently let people go in its retail banking arm but bolstered its executive ranks by 8%, particularly in specializations such as Capital Markets as well as Banking. The company hired strongly from JP Morgan, Citi, and Credit Suisse.

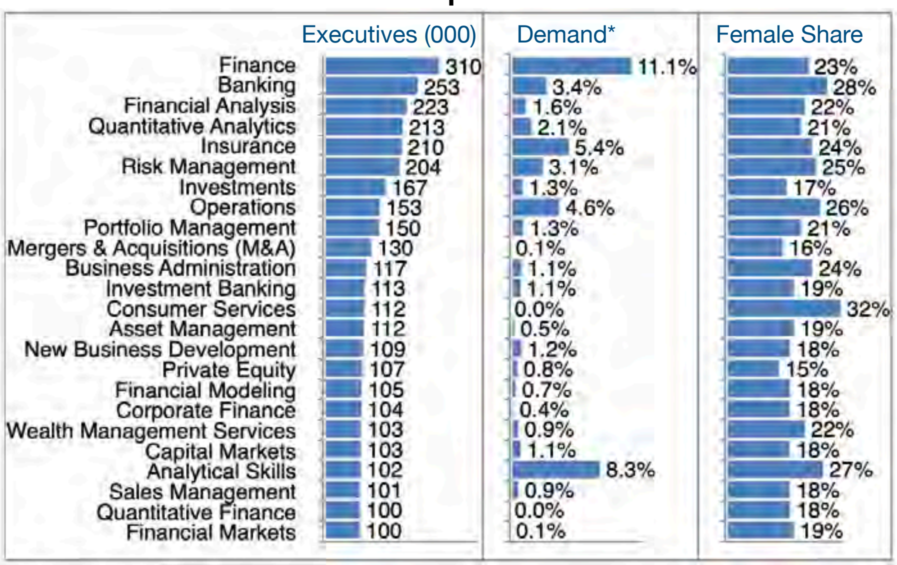
INDUSTRY UPDATE: Financial Services

On the other hand, while it is not the largest in Banking, the largest employer of executives in this entire Financial Services cohort, Citi, apparently shed some 1,000 staff in 2023 and announced plans for further reductions as it revamps its business portfolio. [See source.]

Continuing down the list of business segments in Chart 3, Investment Management giants BNY Mellon (+11%), BlackRock (+8%), and Marsh (+2%) diverged, the first two expanding their current businesses by focusing on Banking and Investment Management while Marsh acquired talent from the Insurance sector.

For a deeper dive in the swirling Private Equity and Venture Capital markets, please consult our Industry Update on that segment [Industry Update: Private Equity & Venture Capital.]

Chart 4: Executive Specializations

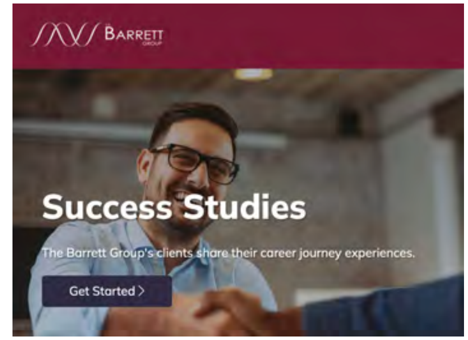


*Share of help wanted ads posted by firms in this industry on LinkedIn

Most executives list more than one specialization on their LinkedIn profiles, so Chart 4 naturally counts any given executive multiple times. Nevertheless, it provides a snapshot of which skills are particularly relevant and in demand in Financial Services.

TBG certainly sees a trend across most industries in that Analytical Skills are highly in demand everywhere. This means executives with a strong track record of analysis may be able to transfer fluidly from one industry vertical to another, (particularly if they are supported by a consummate career management professional organization such as The Barrett Group.)

The first step in the TBG process examines in detail who each executive really is personally and professionally, and then explores alternatives before defining the ultimate search target. TBG has made an art of helping executives identify and communicate their transferable skills and experience. See our Success Studies for myriad examples.



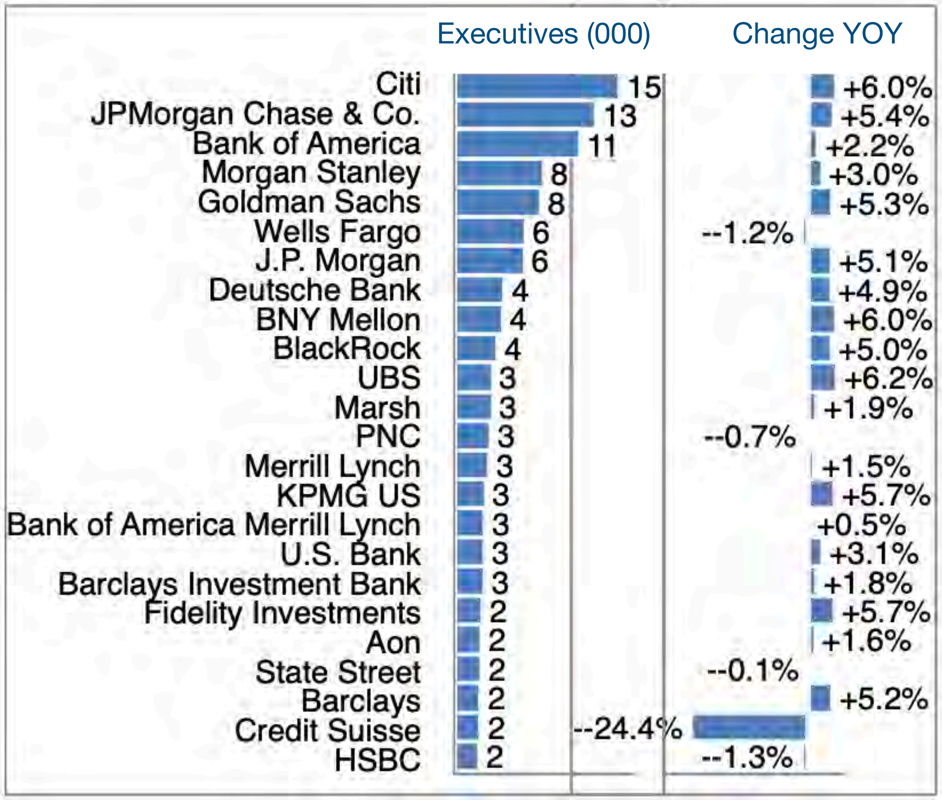
As noted elsewhere, help wanted ads represent only about 15% of the executive market in TBG's experience while the unpublished market seethes with opportunity (circa 75% of TBG's client landings). Nevertheless, as an indicator of demand (Chart 4), help wanted ads can be useful. Bear in mind that demand can represent either growth in demand or scarcity of supply (or both), and is not necessarily the best indicator of opportunity.

Female executives are universally underrepresented in Chart 4, unfortunately. Only one line item exceeds 30%—Consumer Services.

We have already mentioned many of the companies in Chart 5 previously in this Update, so we will comment here only on those top employers not yet addressed. JP Morgan Chase & Co added significantly to its executive ranks in the past year, absorbing 31 from First Republic during its crisis, but also hiring a smattering from all top competitors. The company's net hiring focused on the Banking, Capital Markets, IT Services and IT Consulting, Investment Management, and Software Development specializations.

INDUSTRY UPDATE: Financial Services

Chart 5: Top Employers of Executives



Apparently, in addition to the CEO's pay cut and overall poor performance in 2023, "Bank of America still has an issue with people leaving." [See source.] For example, Wells Fargo hired a large number of Bank of America's executives in 2023, mainly with Banking specializations.

Morgan Stanley saw only modest changes in its executive head count losing talent to Citi and JP Morgan while gaining from Credit Suisse. Goldman Sachs on the other hand, significantly revamped its Capital Markets, Investment Management, and Banking teams shedding talent in favor of JP Morgan Chase & Co. and Citi among others.

Wells Fargo apparently focused on streamlining its executive teams in regional locations such as Chicago, Miami, and Salt Lake City while reinforcing its Banking and Capital Markets capabilities with net hiring from JP Morgan, Citi and Credit Suisse among others. Deutsche Bank mainly hired from Credit Suisse in support of its Banking and Capital Markets capabilities.

FinTech Spotlight

Those of us focused on the Tech sector are familiar with its fondness for disturbing industries and "disintermediation" (removing the middle man) as a path to value creation, often fueled by VC or PE money. Forbes provides this useful summary:

"Tech companies have been disrupting and revolutionizing every corner of the economy for decades, but financial services were long considered a stubborn holdout to this trend. But over recent years, tech startups have made serious inroads, applying software, analytics and data to build online platforms and apps with features that improve—or even replace—conventional financial services." [See source.]

"As an industry, fintech covers a wide range of solutions that cater to diverse financial needs, including but not limited to online payments, peer-to-peer lending, digital wallets, crowdfunding, robo-advisors, blockchain and mobile banking." [See source.]

Top FinTech Companies in 2024:

Name	Valuation Billion	Service Focus
Ant Group	$78.5	Payments
Stripe, Inc.	$50	Payments
Revolut	$33	Mobile banking
Chime Financial, Inc.	$25	Banking services
Rapyd	$15	Payments
Plaid	$13.4	App connector
Brex, Inc.	$12.3	Business banking
GoodLeap	$12	Financing
Bolt	$11	e-Commerce checkout
Checkout.com	$11	Payments [See source.]

INDUSTRY UPDATE: Financial Services

It is no secret where these regions' financial capitals lie, and Chart 6 confirms this, particularly New York, London, and Los Angeles. As readers review this data, we suggest they bear in mind that high hiring demand can represent either genuine growth in demand or scarcity of qualified talent, so we always encourage candidates to research their targets carefully. Naturally, clients of The Barrett Group receive access to considerably more detailed research whether at the screening stage, interview preparation stage, or even during the offer negotiation stage when it may be necessary to have a more detailed understanding of the negotiator on the other side of the table.

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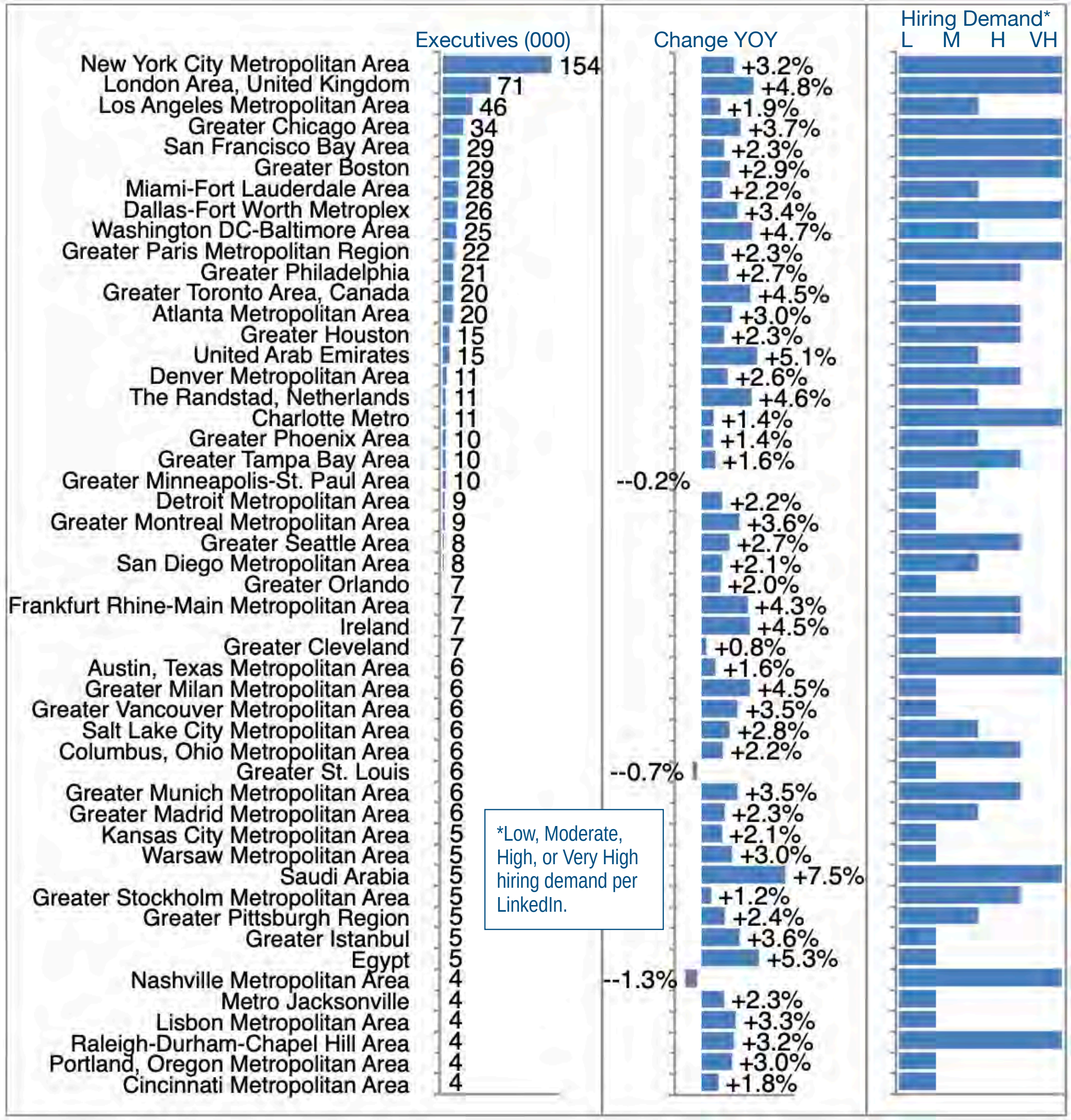
Chart 6: Executive Employers' Locations



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.

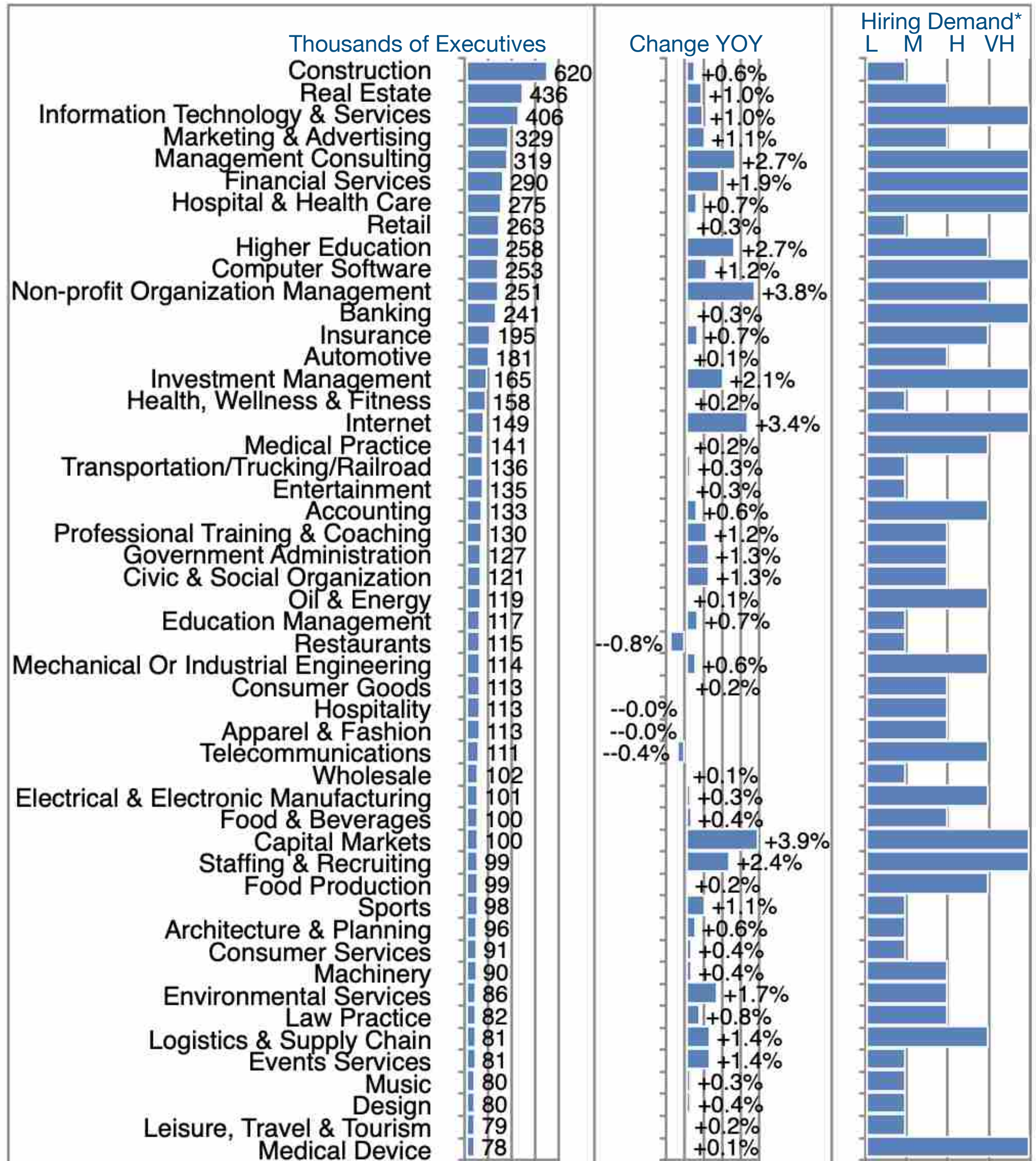
Industrially, Construction and Real Estate top the bill (Chart 1) in terms of the largest number of executives but neither shows particularly high hiring demand or growth. This may well have to do with rising interest rates crimping growth in these sectors even as hybrid and remote work are undermining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



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

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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.

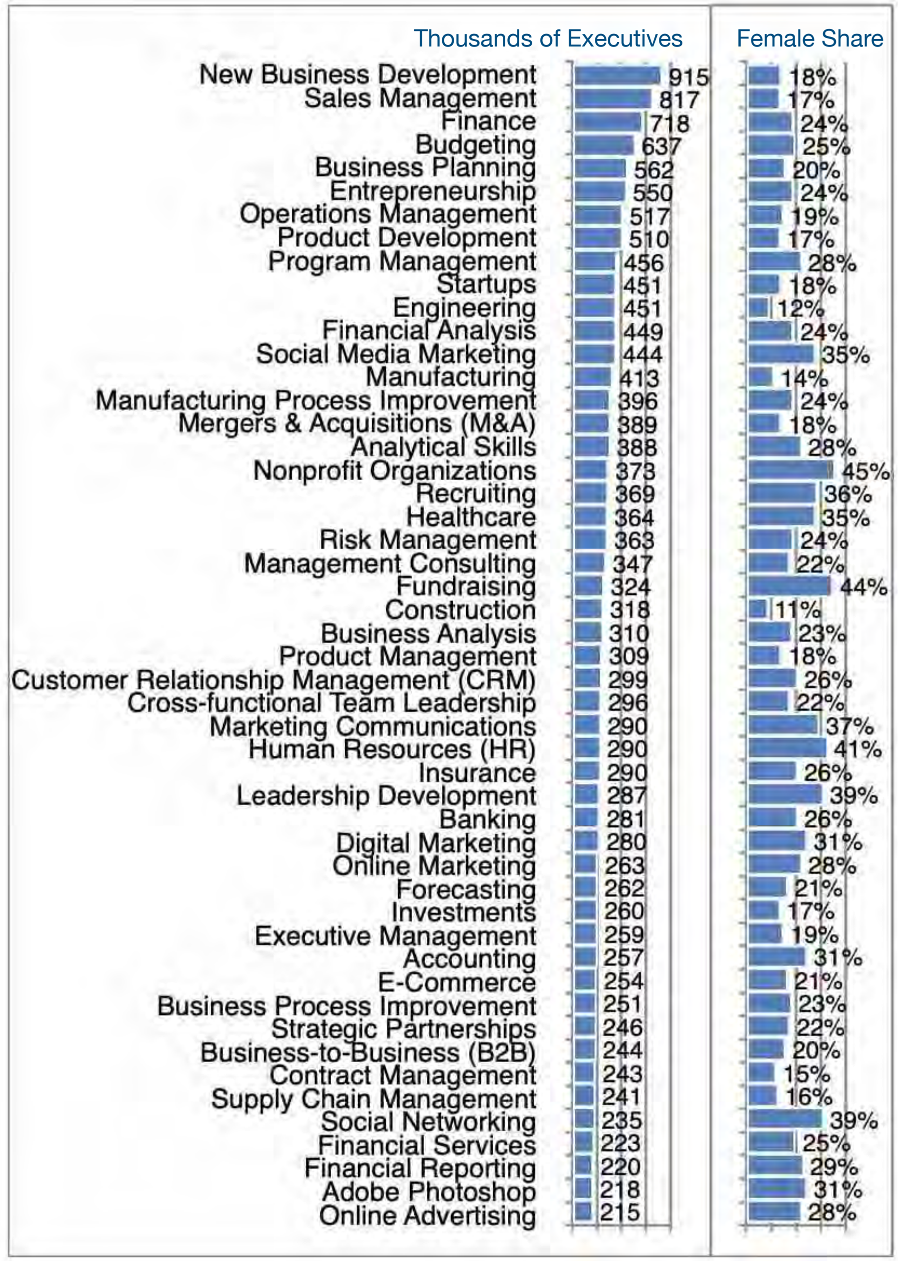
One persistent theme in most industries is the lack of qualified personnel, which explains why Staffing and Recruiting firms are also showing high growth and hiring demand. Firms (and applicants) have also had to adapt to remote interviewing, more flexible experience-related criteria, the growing importance 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

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.

Chart 2: Executives' Specializations



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.

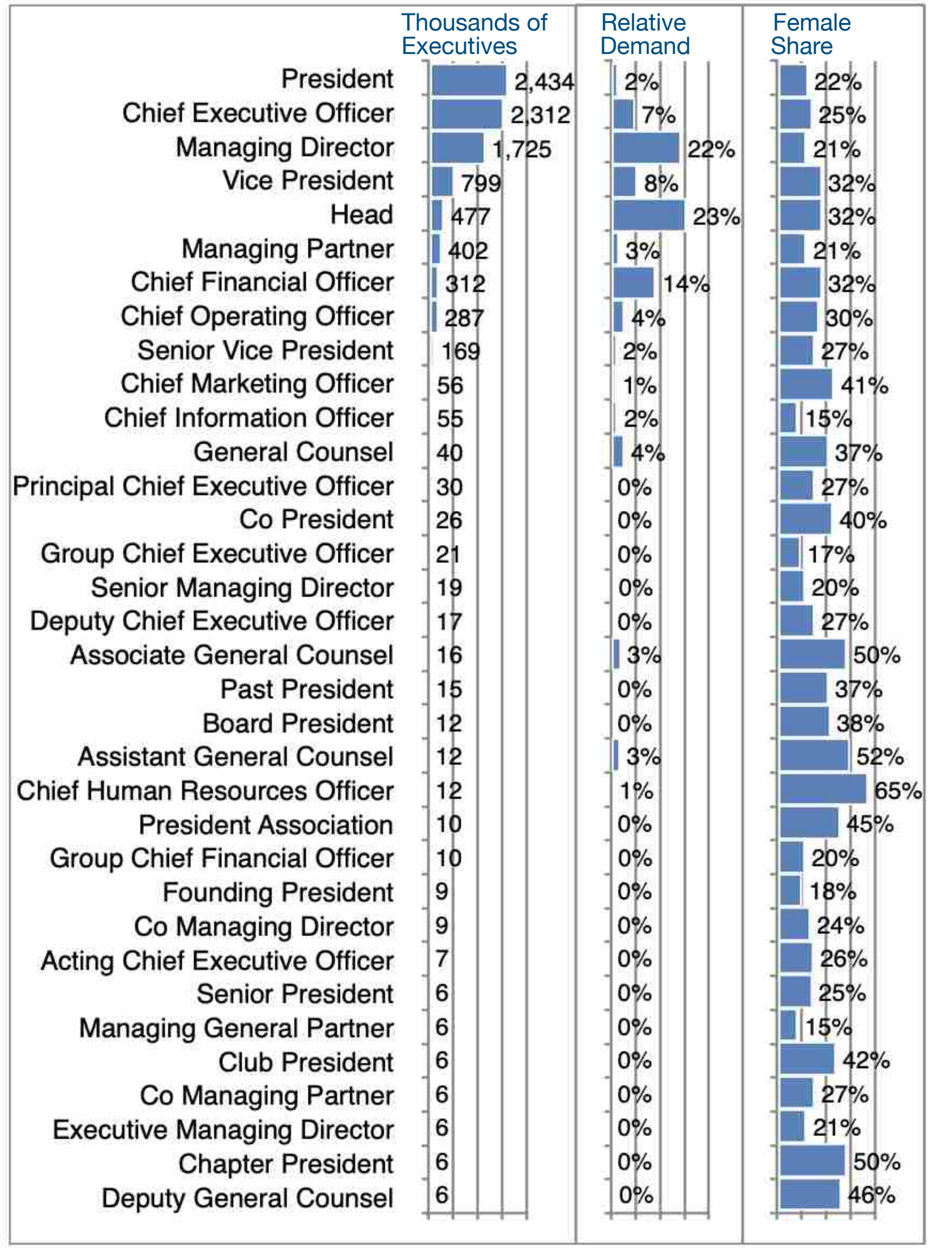
Continuing on the subject of gender balance, Chart 3 highlights the top titles of female executives including Chief Human Resources Officer (65%), General Counsel variations (46-52%) and Chapter President (50%). "Relative Demand" in this context refers to the share of title-specific want ads published (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

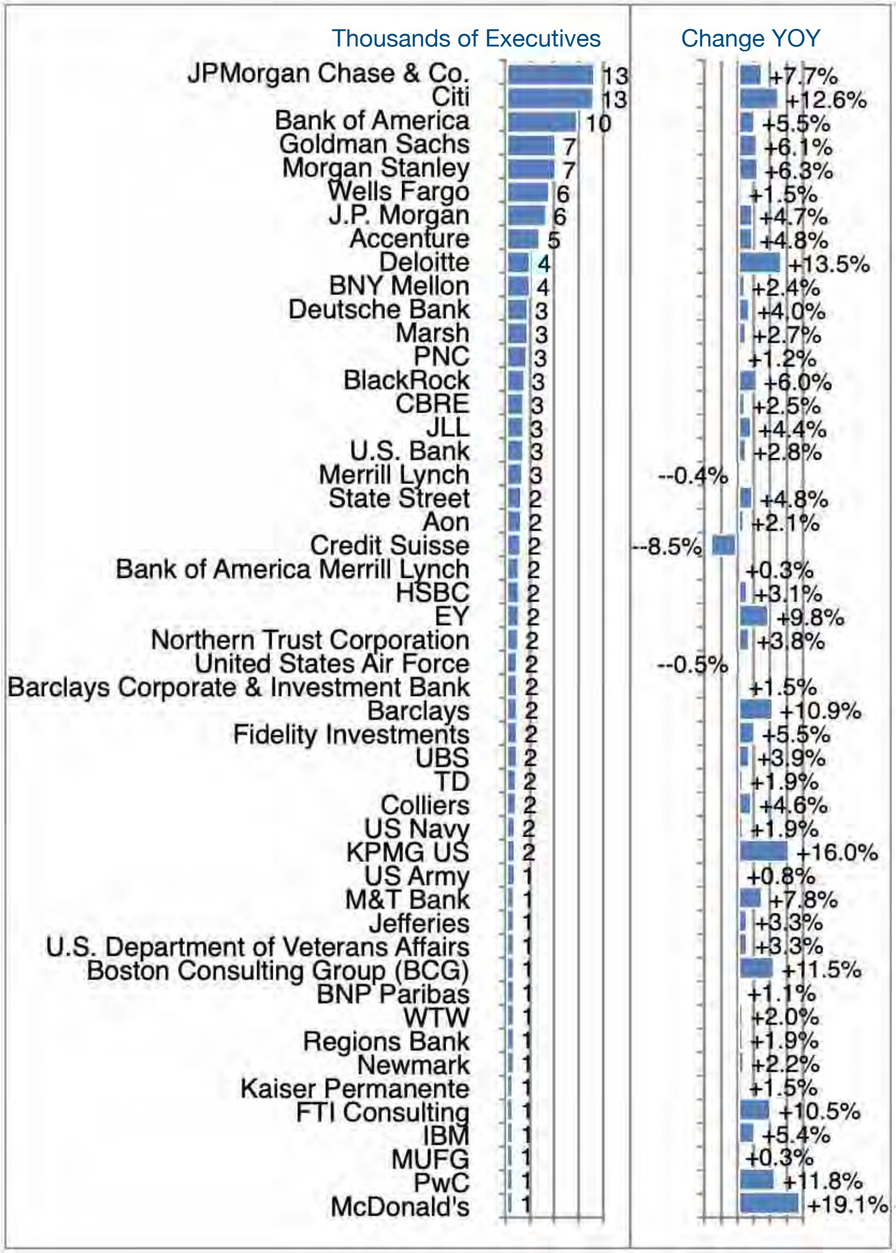


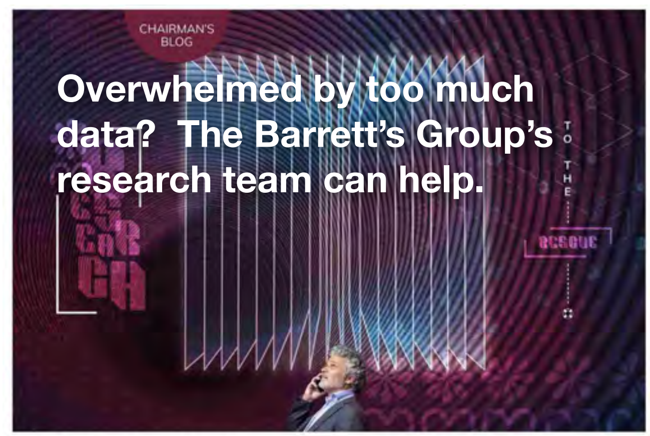
Chart 4 ranks the largest employers of executives in our cohort and excludes those executives who are identifiably self-employed. Starting at the top end with JP Morgan Chase & Co., we find a net change of +7.7%, the talent mainly coming from Morgan Stanley, HSBC, Silicon Valley Bank, UBS, Goldman Sachs, 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.

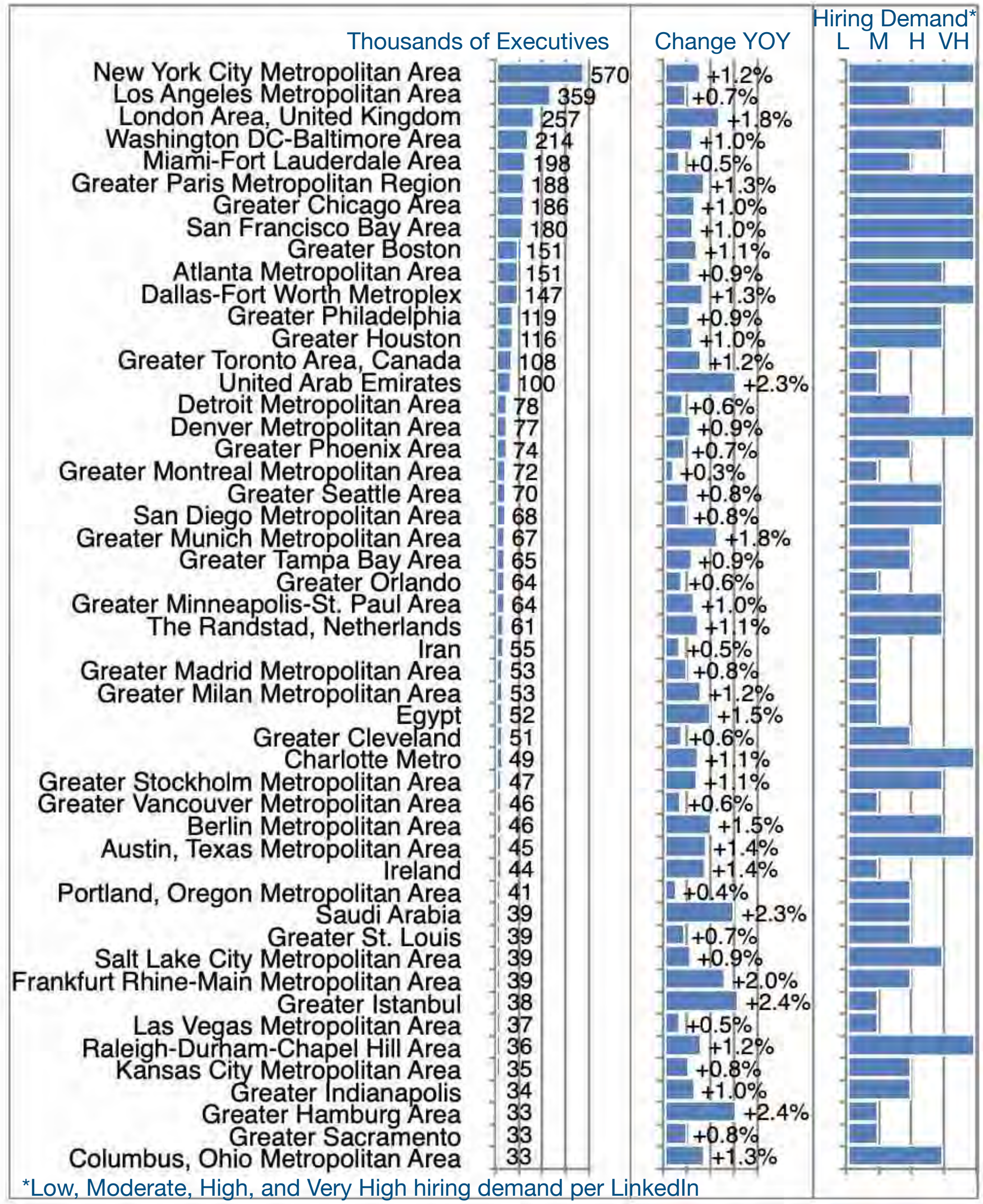
JP Morgan Chase & Co., Citi, and Goldman Sachs appear to be the biggest employers of executives in New York, underlining the importance of the city in the Financial Services sector. But banking also predominates in Los Angeles, with City National Bank, Bank of America, and Wells Fargo employing the most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

“In 2023, I feel the advertising game really switched gears,” said Andrés Ordóñez, chief creative officer at FCB Chicago. “Artificial intelligence took a front seat, sparking some serious creativity. We saw a real effort to bridge the equity gap. And we saw the comeback of humor in ads.” [See source.] We will hear more about the role of AI in advertising and marketing whether we want to or not because it is THE overriding trend in this industry having risen to dizzying heights of awareness virtually overnight. The same source goes on to explain, “For advertising, that rise centered around harnessing the tool in service of better, smarter creative work and data integration.”

One practitioner expressed this hope: “In 2024, I expect the hype around AI to give way to more ethical, integrated applications focused on amplifying human creativity and expertise over pure cost savings. While 2023 marketing focused on AI novelties, 2024 will demand more measured, ethical applications. With public trust at stake, advertising leaders must champion responsibility along with innovation.” [See source.]

As AI makes almost anything possible in ads, once the froth subsides, authenticity is likely to bubble to the top. Advertisers who can connect with their audiences and communicate a shared sense of worthy purpose may well benefit the most. Another practitioner put it this way, “Authenticity’s the buzzword, pushing brands to align with values that resonate authentically with their audience. It’s not just about what we sell. It’s about what we stand for and who we empower.” [See source.]

When we consider that the worldwide advertising market comprised about $733 billion in 2023, its sheer scale means that efficiency becomes paramount. For 2024, the expectation is that ad spend will break down regionally as follows:

Billions of US$

$327.5 - US & Canada
$240.9 - Asia-Pacific
$141.0 - Western Europe
$ 25.7 - Latin America
$ 10.4 - Middle East & Africa
$ 7.3 - Central & Eastern Europe [See source.]

TV and video advertising including the rapidly growing streaming segment are likely to remain the largest channels in 2024 ($337.5 billion). Looking ahead, by 2029 79% of ad spend will likely fall on digital media, including in-App ad spending on the order of $45.5 billion. The same source suggests that platforms such as Facebook (Meta) and Google will dominate ad spending by 2029. [See source.]

Moving on to recent trends in the industry, testing the effectiveness of ads has historically been a laborious and slow process, but AI is changing that, too.

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"One company, RedBalloon, was spending $45,000 per month on PPC advertising. Then, they put an AI program into place. The machine could test 6,500 variations of a Google text ad every day. The company now averages a 1,100% return on ad spend." Or here is another example: "Phrasee, an AI program that generates and optimizes ad copy, worked with Wowcher, a deal-of-the-day site, on a recent Facebook ad campaign. They tested human copywriting versus Phrasee copywriting — the AI ads decreased the cost-per-lead by 31%." [See source.]

Another trend is that video advertising, even while it is growing in volume, is getting shorter, and now trends toward the 10-30 second timeframe as consumers' impatience increases. Nevertheless, a "recent Wyzowl report shows that nearly 100% of current video marketers say they'll continue using video in 2024. More than 95% of them plan to maintain or increase their budget for video. 68% of marketers who didn't use video say they planned to start in 2024." [See source.]

Ads are also going silent and in some cases using subtitles to avoid annoying flighty consumers. "A recent study by LinkedIn found that 79% of videos on their platform are viewed without sound." [See source.] Additionally, gaming continues to be enormously popular with digital natives and recent converts alike, so utilizing games as an entry way into advertising is evolving as another opportunity to attract and retain digital audiences.

As noted above, authenticity stands out in advertising, so that real people, including employees, are taking on an ever more important role as communicators on behalf of companies and brands. Influencers such as on TikTok are one example of this, but so are numerous brands that have turned to their own employees to communicate not only their products and services but also their values (via video, of course.) Incorporating users' input is also an effective way to convey authenticity.

What about the elephant in the room, the biggest player in the online ad space? Amazon remains a force to be reckoned with, not only in eCommerce but in online advertising where their recent $7 billion in annual ad revenue dwarfs the next largest player (Walmart at $1.5 billion). Various sources suggest that it is not only the relative effectiveness of Amazon digital ads ("35% of Amazon shoppers click on the very first product in the search results […] and the first three products command 64% of all clicks") but also their relatively low cost per click. [See source.]

Other trends include the development of shoppable video content (allowing consumers to purchase goods and services directly from an ad), increasing personalization, and omnichannel audience tracking. Voice-based search may also become resurgent as consumers increasingly adopt digital voice assistants. [See source.]

Have you noticed how much change all of these trends imply to the technical and strategic skills required to be successful in advertising and marketing? This is not a tremor but a major earthquake!

So it is no wonder then that the industry is suffering a significant crisis as outlined in a recent Forbes interview. In a nutshell, according to this interview:

- *Consumers don't trust advertising or advertisers*
- *Advertisers can't trust their media agency partners to always act in their best interests at the moment when the agency's best and economic interests diverge*
- *These insights from this interview underline consumers' apparent thirst for authenticity even as AI takes the reins in generating content—a weird paradox to say the least.*

How will the industry survive and prosper and who will navigate this crisis? Let's find out as we explore the industry's executives.

INDUSTRY UPDATE: Marketing & Advertising

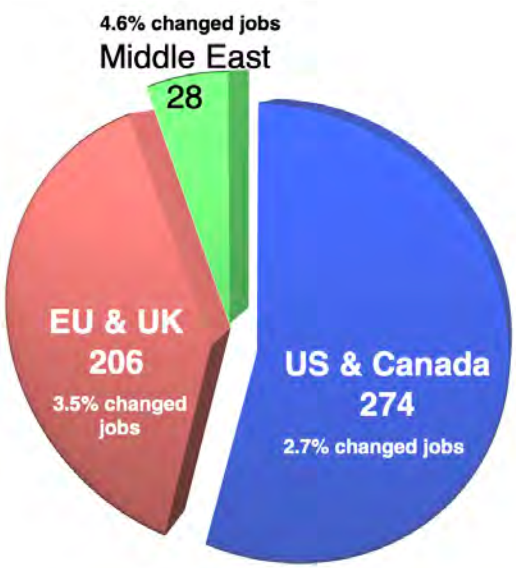
The Market for Executives

In this industry more than 500,000 executives (see Editor's Note for definitions) are active according to LinkedIn—a number that has stayed stable in the past year even as almost 16,000 changed jobs.

Chart 1 explains in more detail where these executives are employed as well as the share of them that changed jobs in the past year. The US & Canada had the lowest rate of "churn" (2.7%) versus the Middle East with the highest (4.6%). Another major difference is the gender balance among executives in the three regions we cover. In the US & Canada, 35% of the executives in this industry are female; in the EU & UK, 30%; and in the Middle East, just 21%.

Directors were far more in demand per help-wanted data in Chart 2 in the past year, though this is only part of the story as the vast majority of executives in our 34 years of experience are not hired via published ads or recruiters, but via the unpublished market. This is particularly true for titles higher up the organization. [Read more about the unpublished market.]

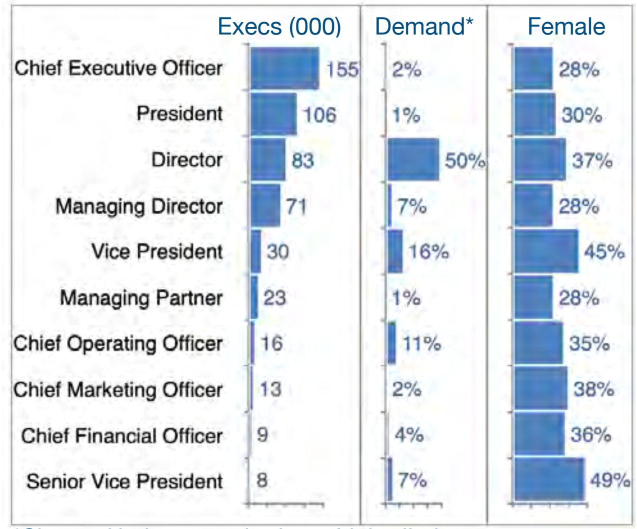
Chart 1: Thousands of Industry Executives per Region



At 32%, the female executive share in this market is relatively high. Still, in this industry, as in all too many others, female executives are hired into specific roles more frequently than others. Vice President (45% female) and Senior Vice President (49%) stand out in this regard, followed by Chief Marketing Officer (38%), Director (37%), CFO (36%), and Chief Operating Officer (35%).

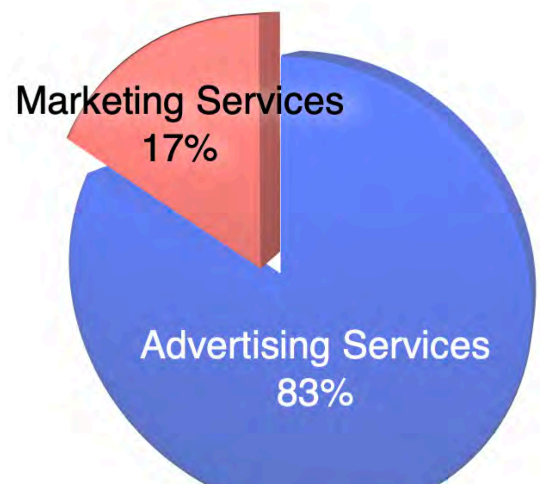
Chart 3 profiles the two largest market segments (together about 75% of the total)—those firms that specialize in providing marketing services versus those that focus on advertising services (which may, of course, include some marketing). According to LinkedIn, the number of executives in the advertising segment has actually shrunk over the last year by 3% while the marketing segment has grown by 16%. The former earns a "low" hiring demand overall, and the latter "high," again, according to LinkedIn.

Chart 2: Executives' Titles



*Share of help wanted ads on LinkedIn in past year

Chart 3: Principal Markets



INDUSTRY UPDATE: Marketing & Advertising

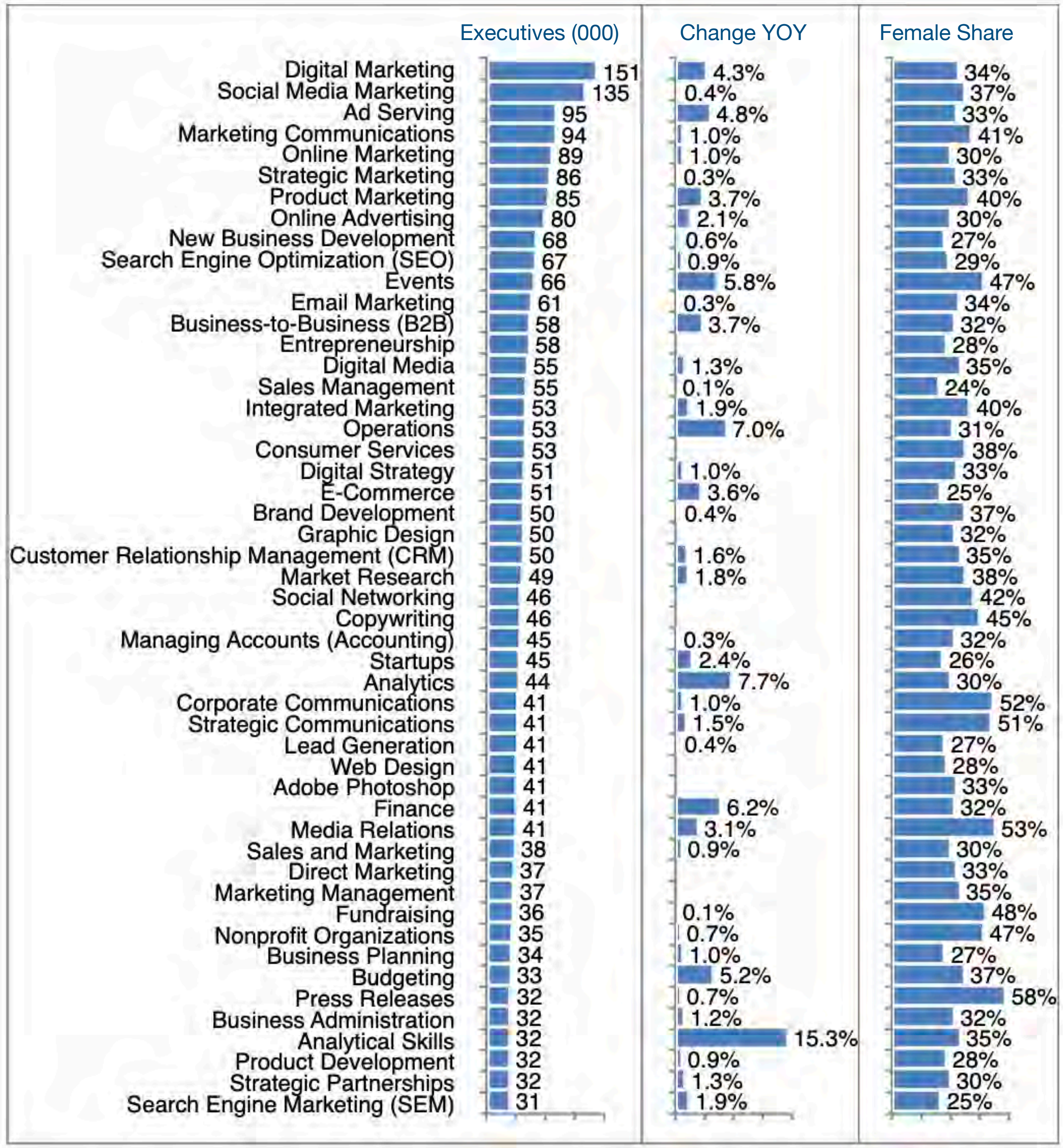
In Chart 4 we review the special skills that executives list in their LinkedIn profiles in this industry, bearing in mind that most execs list more than one. It surprises no one probably that Analytical Skills (+15.3% increase YOY) and Analytics (+7.7%) both stand out, as this is true in most industries. Financial skills are also typically much in demand, for example, Finance (+6.2%) and Budgeting (+5.2%). Among more industry-specific topics, those most in demand include Operations (+7%), Events (+5.8%), Ad Serving (+4.8%), and Digital Marketing (+4.3%).

Some of us may not know what "Ad Serving" means, so here is a short definition:

> *An ad-serving platform is the core element of every ad server. It is an ad tech process of delivering advertisements on various websites, apps, and social media platforms via ad tech software. In this process, the most relevant ads are selected for display using complex algorithms and advanced decision-making tools.* [See source.]

So what about Artificial Intelligence? Why does it not show up on Chart 4? Partly, that is because the number of practitioners is too low to make the top 50 specializations. LinkedIn reports almost 16,000 execs who list AI skills, of which 7% have changed jobs in the past year—a relatively high rate of churn. Geographically, they cluster in London, New York, Los Angeles, Milan, and San Francisco. Surprisingly, their number has actually shrunk in the past year according to LinkedIn by 2%. Some 40% of them sport the title of CEO or President and 60% of them are mainly involved in Digital Marketing, followed by Social Media Marketing, Ad Serving, and Online Marketing.

Chart 4: Executive Specializations



INDUSTRY UPDATE: Marketing & Advertising

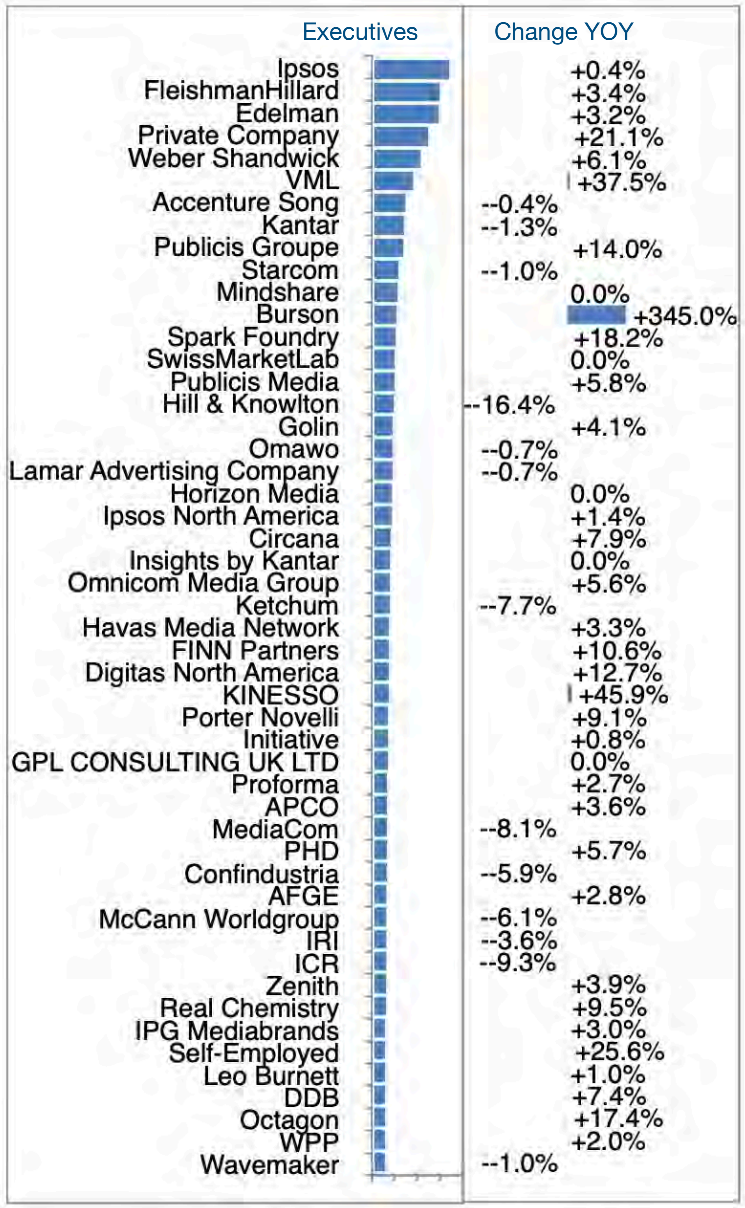
At the individual company level, the number of executives is typically quite small, rounding to either 1 or 0 for the nearest thousand, so we present the ranking in Chart 5 without specific numbers. This still offers readers a clear understanding of the relative size of the top fifty in this industry with respect to their executive ranks.

Exceptional growth, such as VML's +37.5%, typically comes from acquisitions or mergers: in October 2023, WPP "announced a major evolution in its offering to clients with the merger of Wunderman Thompson and VMLY&R. The combined entity will be known as VML and will be the industry's largest creative company." [See source.]

Similarly, Burson's growth (+345%) resulted from WPP's merger of two other units (BCW and Hill & Knowlton) commenting as follows: "Since the news about Burson was announced in January, the integration team has been working to "combine our two agencies to best position Burson to be the leader in delivering modern communications at scale to clients. As you can imagine, this is a considerable task, but we are making progress…" [See source.] It is nonetheless clear that layoffs are coming, too.

Ketchum on the other hand is restructuring and actively laying people off without having merged or

Chart 5: Executives' Employers



acquired recently. The bulk of these changes appear to be in New York and Chicago in the US.

The Kinesso (+45%) story that integrated Kinesso, Reprise, and Matterkind in September 2023 under one roof is worth explaining in more depth as it has been justified based on anticipated changes to the industry's overall structure:

> *By the year 2025, the media landscape is set for a profound and irreversible transformation. Three significant trends will shape this evolution. First, 75% of all media will undergo a radical shift towards automation and AI-driven optimization, revolutionizing the way content is created and delivered (Source: Digitalization Concepts – Case Studies: AI-Artificial Intelligence"). Second, an overwhelming 90% of online content will originate from AI-generated sources, redefining the boundaries of creativity and information dissemination. Lastly, the retail media sector will experience a surge, with a remarkable $121.9 billion of investment, making it the fourth-largest media channel globally […] Together, these developments mark a significant shift in the industry toward automation, AI-driven content, and substantial investments in retail media. [See source.]*

Naturally, we do not have the space here to

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explore all of the companies in this dynamic industry, but remember that TBG clients are supported with a six-member team including a research professional who provides detailed information whether at the initial industry screening stage, subsequent interview preparation phase, or even in-depth profiles on hiring managers as may be required during compensation negotiations.

Chart 6 provides an overview of this industry's geography, and while the top six locations (New York, London, Los Angeles, Washington DC, Miami, and Paris) retain their stature, there are numerous locations that exhibit attractive growth and/or hiring demand. Consider that while growth is historical (looking in the rearview mirror, so to speak), hiring demand is LinkedIn's view on current demand in the market. This may be driven either by a lack of qualified talent (see San Francisco that has shrunk but still exhibits high hiring demand) or, indeed, by genuine underlying business growth.

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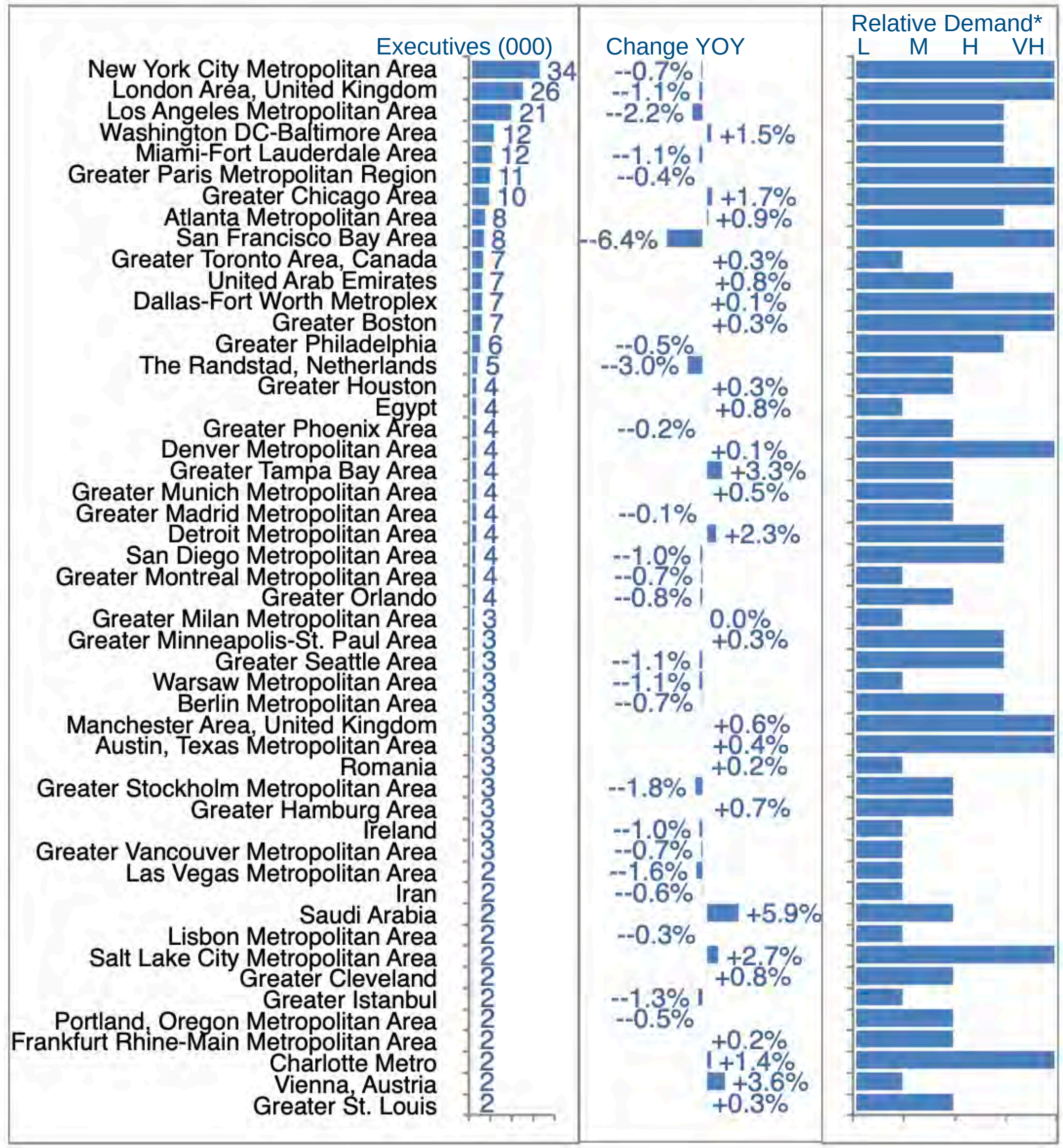
In this Update "executives" will generally refer to the Vice President, Senior Vice President, Chief Operating Officer, Chief Financial Officer, Managing Director, Chief Executive Officer, Chief Marketing Officer, Chief Information Officer, Managing Partner, General Counsel, Head, President and Director 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 1 billion 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.

Chart 6: Executives' Employment Locations



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

Travel & Leisure

INDUSTRY UPDATE: Travel & Leisure

Introduction

By all accounts, travel, hospitality and tourism are enjoying a strong recovery after the lean pandemic and post-pandemic period.

> *Domestic travel is expected to grow 3 percent annually and reach 19 billion lodging nights per year by 2030 […] Over the same time frame, international travel should likewise ramp up to its historical average of nine billion nights. Spending on travel is expected to follow a similar trajectory, with an estimated $8.6 trillion in traveler outlays in 2024, representing roughly 9 percent of this year's global GDP.* [See Source.]

According to the same source, the bulk of this spending remains "close to home," even as the source countries of tourist travelers are shifting. In fact, the target destinations of the future may be quite different from those of the present, among other reasons, because of climate change. Please note that discussing travel and tourism is complicated as sometimes the evaluations include food and beverage and/or hotels and hospitality and sometimes they only include the actual spend on travel, so bear this in mind as we paint an impression of the industry landscape.

Travel and tourism alone are valued at about US $198.7 billion in the United States in 2024. The market is projected to grow at a compound annual growth rate (CAGR) between 2024 and 2028 of 2.9%, resulting in a market volume of US $222.8 billion by 2028. [See Source.] In comparison, the European industry may reach US $288.0 billion in 2024 and is expected to grow 1.68% (CAGR), leading to a market volume of US $307.8 billion by 2028. [See Source.]

Adding in other sources of revenue, "Forecasts suggest tourists will spend €742.8bn euros in Europe in 2024, a rise of 14.3% on last year. Travellers' expenditure on food and beverages is projected to surge by 30% compared to 2023, posing good prospects for providers of gastronomic experiences in Europe. Similarly, growth in spending is expected for recreation, culture and sport (+27%), retail (+23%), transport (+23%) and accommodation (+19%), driven by both inflationary pressures as well as demand preferences." [See Source.]

> *In 2024 the travel sector is flourishing, with nine out of the last 10 record-setting spending days in the global cruise and airline industry occurring this year[…]. Further, European travelers are also extending their trips by two extra days compared to pre-pandemic.* [See Source.]

On a similar, full-spending basis, "tourism industry expansion in the Middle East is estimated at a 5.10% CAGR until 2034. The tourism industry in the Middle East is on the way to reaching US$ 453.28 billion by 2034. In 2024, the industry is anticipated to be worth US$ 275.64 billion." [See Source.]

Feeding Time

As far as restaurants are concerned, in the US, the "foodservice industry is forecast to reach $1 trillion in sales in 2024. […] The industry workforce is projected to grow by 200,000 jobs, for total industry employment of 15.7M by the end of 2024. 45% of operators need more employees to meet customer demand." [See Source.] The same source continues:

INDUSTRY UPDATE: Travel & Leisure

- *Competition is strong: In 2024, 45% of operators expect competition to be more intense than last year.*
- *Costs are up: 98% of operators say higher labor costs are an issue for their restaurant. 97% cite higher food costs. 38% say their restaurants were not profitable last year.*
- *Consumers are value conscious: Nearly half of consumers are taking a wait-and see stance when it comes to spending. Operators who offer a solid value proposition for dining out can nudge customers out of their holding pattern.*
- *Consumers love restaurants: 9 in 10 adults say they enjoy going to restaurants. Restaurants allow them to enjoy a favorite meal that has flavor and taste sensations they can't easily replicate at home.*

Quick service restaurants (a.k.a., "fast food") dominate the US market with circa 49.1% value share, and are forecast to grow by more than 10% CAGR through 2029. Full service restaurants (about 40% of the market) project a 5.24% growth rate on the same basis, while cafes and bars (circa 10% of the market) expect more than 10% CAGR during the period. [See Source.] In fact, on-line ordering is driving growth across all of these channels:

> *In a single month, 77% of American consumers reported ordering delivery, 76% reported picking up takeout, and 61% reported dining in at a restaurant. The reasons consumers provided for choosing food delivery over takeout or dining in was that they found it more convenient and/or they didn't feel like going out. Consumers who chose takeout over delivery preferred it because they could get the food faster that way.* [See Source.]

The European foodservice market size may reach 900 million USD in 2024. Forecasts suggest this market will come in at 1.36 trillion USD by 2029, exhibiting CAGR of 9.34% between 2024-2029. [See Source.] While full-service restaurants and cafes represent the lion's share at circa 70% of this business today, quick service restaurants and "cloud kitchens" (specialty service providers catering mainly to on-line, delivery orders) are expected to grow far faster in the coming decade. [See Source.]

As competition heats up and ordering technology becomes more seamless, menu choice plays an increasingly key role especially based on the transparent comparability allowed by internet ordering platforms. Many players are responding by adding big data analytics to uncover key trends in real time. Others are actively experimenting to see what works. "Among the food trends to watch in 2024 is the rise in "new European" restaurant formats that put a new spin on classic French, Italian, and Greek concepts[…] These restaurants feature more regionally specific ingredients and dishes, lean into "eater-tainment" experiences, hybridize their menus with other cuisines, or tap into other food trends such as gluten-free and plant-based eating." [See Source.]

A Place to Stay

Experts also expect revenue in the hotel market to grow, reaching "US$110.50bn by 2024. Furthermore, the market is expected to exhibit an annual growth rate of 3.82% (CAGR 2024-2028), which would result in a market volume projection of US$128.40bn by 2028." Constrained investment in the industry in the past few years apparently means better utilization as the number of stays rises, suggesting operators' profits will improve. Additionally, the "United States' hotel market is experiencing a shift towards boutique and lifestyle hotels, catering to experiential travelers seeking unique accommodations." [See Source.]

INDUSTRY UPDATE: Travel & Leisure

Technology is also invading the consumer hotel experience, as one source highlights the following key enhancements for guests going forward:

- Bring your own streaming capabilities,
- Wireless device charging,
- Smart controls,
- Tablet based control,
- Voice-activated controls,
- Smart mirrors (that double as displays),
- and many more! [See Source.]

"The revenue of the hotel market in Europe saw significant growth in 2023, reaching an estimated 111 billion U.S. dollars. This figure improved greatly over 2020 and 2021, when the European hotel market was hit hard by the coronavirus (COVID-19) pandemic. When looking at the forecast revenue of this market, it was predicted to see year-over-year growth from 2024 onwards." [See Source.]

Apparently, average daily rates were very healthy in the region. "The key trend across the majority of hotel markets in Europe in 2023 was the strength in growth of average daily rates (ADRs). For example, as of December 2023, YTD European ADRs were 25.9% above the same period in 2019." The same source suggests that while this growth will flatten out, ADRs are likely to stay relatively high.

The Middle East seems set to enjoy significant growth in the hospitality area as well.

> *In 2023, Middle Eastern destinations, including Dubai, Abu Dhabi, and emerging hotspots like Riyadh and Ras Al Khaimah, saw significant tourist inflows. Dubai, for example, reported its highest-ever annual tourist arrivals: 17.15 million international overnight visitors. In the first two months of this year alone, data from the city's Department of Economy and Tourism (DET) shows that Dubai has already attracted 3.67 million, up from 3.10 million in the same period last year.* [See Source.]

So it is no wonder that "a wave of development is sweeping across the Middle East, where hospitality and residential projects totaling a staggering $1.9 trillion are currently in the works. Recent data […] reveals that Saudi Arabia, the United Arab Emirates and Egypt together account for 90% of this colossal investment…" [See Source.]

While some of the visitors to the Middle East are clearly tourists, others are enjoying what one commentator dubbed "bleisure" (a mixture of business and leisure). Some of the trends underpinning the region's growing attractiveness as a destination include:

- Increased focus on health and wellness,
- Sustainable practices,
- Hyper-personalization, and
- "MICE" tourism (meetings, incentives, conferencing, and exhibitions). [See Source.]

Travel and Climate

"Tourism is not just a victim of global warming – it also contributes to the problem. Tourism alone is responsible for 8% of the world's carbon emissions. As more and more people travel each year, this footprint is only growing." [See Source.] Consumers are probably aware of this impact. In fact, according to a "global online survey of 31,000 travelers in 34 countries" conducted recently by Bookings.com "some 83% of traveler respondents indicated that making sustainable travel choices was important to them." Unfortunately, a certain climate fatigue may have also set in among consumers. The same survey found:

- 45% said sustainable travel choices are important but not an overriding concern when planning or booking a trip;
- 28% globally responded that they are weary of hearing about climate change[;]
- 33% of travelers said they thought climate change damage had already taken place, and that their individual travel choices would not make much of a difference.
- 44% of those surveyed globally said governments would make the most difference – not individual travelers. [See Source.]

INDUSTRY UPDATE: Travel & Leisure

On the other hand, "Consumer satisfaction in developing and emerging economies is also tied to concerns around climate change, and many want businesses to commit to protecting nature and natural systems. Learn from companies like PayPal that prioritize social responsibility, setting an example for employees and customers." [See Source.] The same source continues,

> *"The shift in consumer buying, with more consumers willing to pay extra for environmentally friendly products, reinforces the need for companies to increase their commitments to responsible business practices," said Jessica Long, managing director of strategy and sustainability at Accenture. "Companies across industries have started to lead with purpose, including embracing the circular economy as a greater opportunity to drive growth and competitive agility."* [See Source.]

Indeed, at least some governments are also invested in sustainability. Though not specifically addressing travel, here is an example from the US Environmental Protection Agency attempting to display sustainability in action. [See Source.] Specifically on the subject of sustainable travel, major airlines are lining up most recently behind the use of sustainable aircraft fuel (SAF) along with a host of other measures including electrifying ground vehicles and even short-haul flights. SAF is carbon-neutral because it is based largely on crop waste. The Inflation Reduction Act in the US also provides $250 million of support for the development of SAF. [See Source.]

In summary, governments and other major players in the tourism, travel, restaurant, and hotel industry must do more to communicate their commitment to sustainability and help consumers understand how they, too, can contribute.

Who Will Do the Work?

This industry is clearly facing a staffing crisis even as it recovers from the depths of the pandemic. "The Bureau of Labor Statistics projects the U.S. economy to add 8.3 million jobs from 2021 to 2031. Of those, 1.9 million jobs—23.1 percent of all new jobs projected—are expected to be in leisure and hospitality. That is a large projected increase for a sector that made up 8.9 percent of total employment in 2021. This rapid projected growth—the fastest of any sector, at an annual rate of 1.3 percent—results from the recovery following the COVID-19 pandemic." [See Source.]

Europe and the Middle East face similar challenges in this and many other industries. Many specific solutions are available including improved utilization of technology to ease scheduling and accelerate training, shifting more administration to the consumer, automating manual processes, leveraging AI to handle routine tasks, incorporating remote workers as possible, expanding diversity and inclusion initiatives to bring in people who might otherwise not work in this industry or at all, and improving the attractiveness of the industry through perks such as travel, education, or career planning.

Nevertheless, the bottom line answer will be to hire and integrate creative, solution-oriented executives who can imagine the future and know how to handle it. So let us now look into the women and men who manage this vivacious collection of sub-industries and meet these challenges every day.

INDUSTRY UPDATE: Travel & Leisure

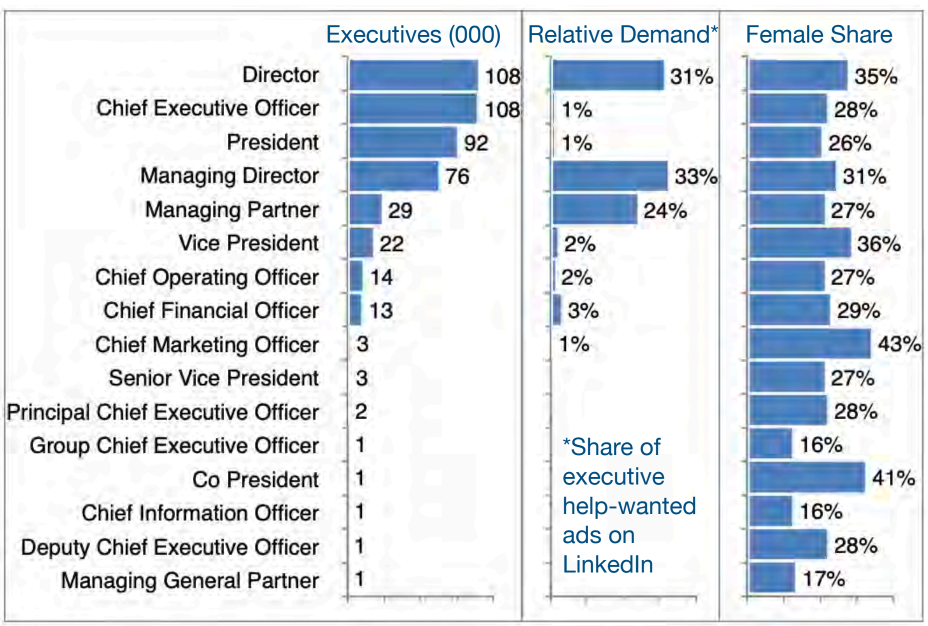
The Market for Executives

Data models regularly undergo revision, of course, so it is no wonder that LinkedIn has redefined “leisure” as a category of work. Including Food and Beverage Services, Hospitality, Restaurants, Hotels and Motels, Travel Arrangements, and Amusement Parks and Arcades, this cohort now numbers more than 464,000 executives as we define them (see Editor’s Note). This group has grown by some 2% in the past year, is on average 30% female, and has an average tenure of 3.5 years. Geographically, the populations breaks out as follows:

- US & Canada - 210,000 / +4%
- EU & UK - 227,000 / +0.6%
- Middle East - 27,000 / +2%

As we have seen in many other industries, the average size of each enterprise is generally small and as a result we see far more CEOs, for example, than Vice Presidents (Chart 1). Nevertheless, the titles most in demand during the past year were Director, Managing Director, and Managing Partner—at least according to the executive help-wanted ads posted on LinkedIn. Clients of The Barrett Group (TBG) will already know that this “published market” is relatively small versus the total market for executive talent. Approximately 75% of our clients land via opportunities that are never published.

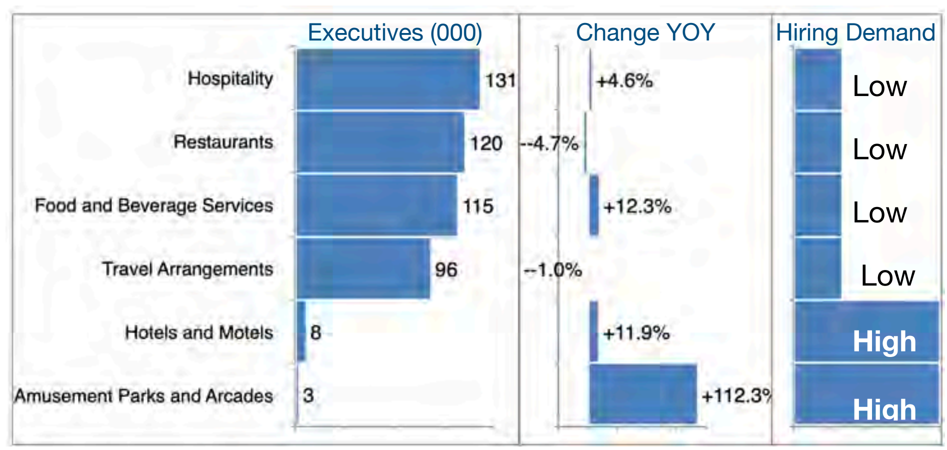
Chart 1: Executive Titles



This industry shows a relatively healthy gender balance versus others we have studied as indicated by the Female Share of executives (Chart 1) where Chief Marketing Officer (43%), Co President (41%), Vice President (36%), and Director (35%) exhibit the highest values.

Chart 2 examines the industries executives cite on their LinkedIn profiles whereby clearly Hospitality, Restaurants, Food and Beverage Services, and Travel Arrangements represent the vast majority, though most of these have shown relatively modest or even negative growth in the past year. Only Hotels and Motels, and Amusement Parks and Arcades show a higher, forward-looking “hiring demand” per LinkedIn. Bear in mind, though, that in this industry in total some 24,000 executives changed positions or were newly hired in the past year despite the lopsided picture Chart 2 presents. Many of those opportunities were in the less visible “unpublished market,” as we mentioned above, where there is less competition and more opportunity for the candidate to influence the roles’ parameters.

Chart 2: Executives’ Industries



INDUSTRY UPDATE: Travel & Leisure

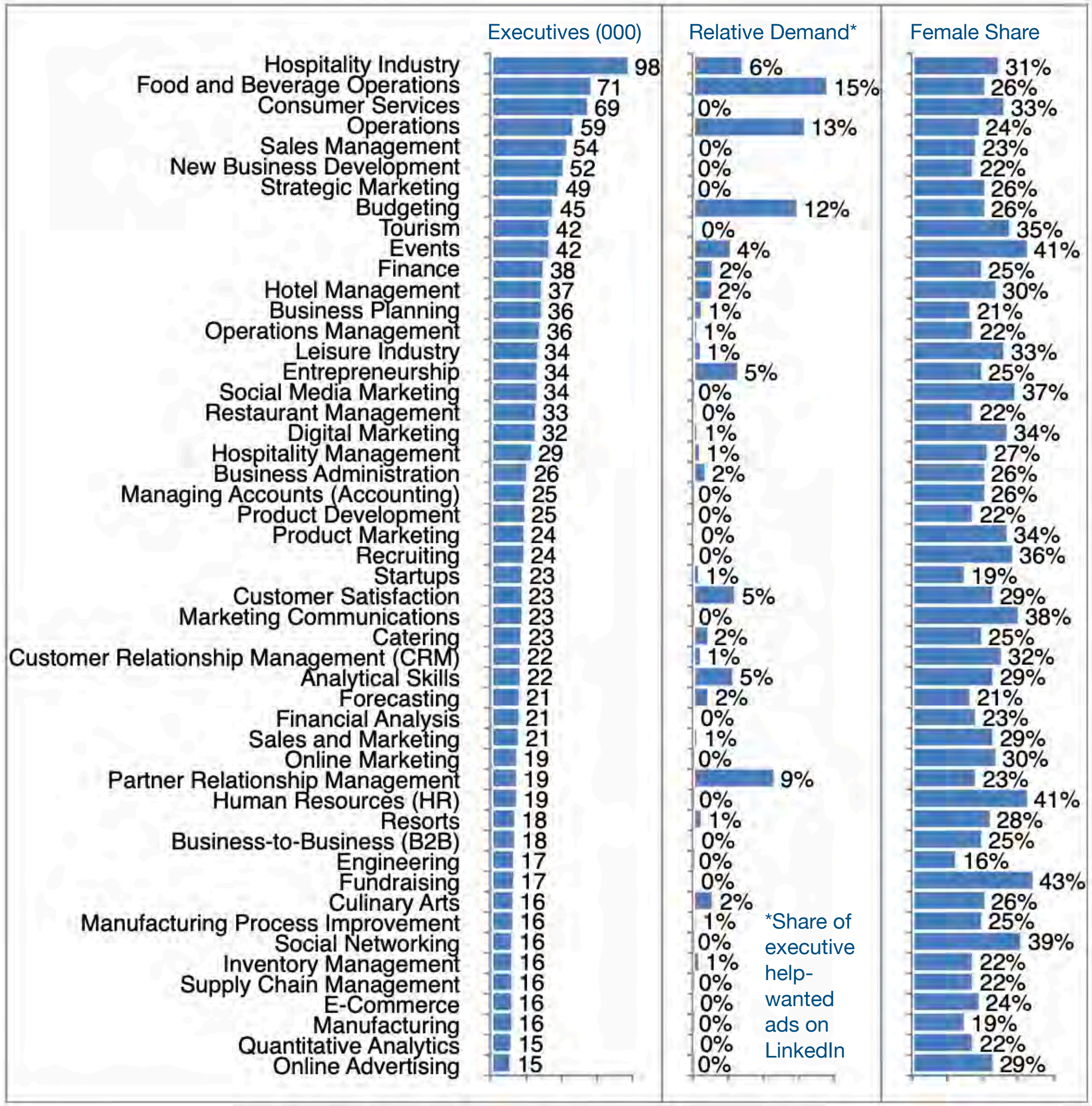
Most executives on LinkedIn will highlight a number of specializations—special skills or areas of focus—that they wish to communicate via their profiles. Chart 3 presents these in descending order of frequency.

As usual, some specializations are highly specific to the industry, such as the first two on the list: Hospitality Industry, and Food and Beverage Operations. These skills may not be highly transferable given their specificity, but others, for example, Sales Management or New Business Development, are highly transferable and can help executives seamlessly move from one industry to another under the right conditions.

TBG has tremendous experience in helping clients define the best path for their executive careers, and then marshaling the evidence to support their aspirations by adeptly explaining how the client's experience is relevant and transferable either via a resume or CV, or indeed, in interviews with various levels of hiring manager. Competently managed, this approach can facilitate entrance into or exit out of virtually any given industry.

The demand for various skills is also highly differentiated as is visible in Chart 3 in the "Relative Demand" column. As we saw in the introduction, staffing for the tremendous demand facing the leisure industry is a challenge, whether at the executive level or on the front line. So it is no wonder that the first two items (Hospitality Industry, and Food and Beverage Operations) enjoy high demand. But so do more generic skills such as Operations (13%), Budgeting (12%), and Analytical Skills (5%).

Chart 3: Executives' Specializations



INDUSTRY UPDATE: Travel & Leisure

The Female Share column in Chart 3 shows in more detail how certain disciplines apparently attract more female executive talent, for example, Fundraising (43% Female), Human Resources (41%), Events (41%), Social Networking (39%), Marketing Communications (38%), and Social Media Marketing (37%).

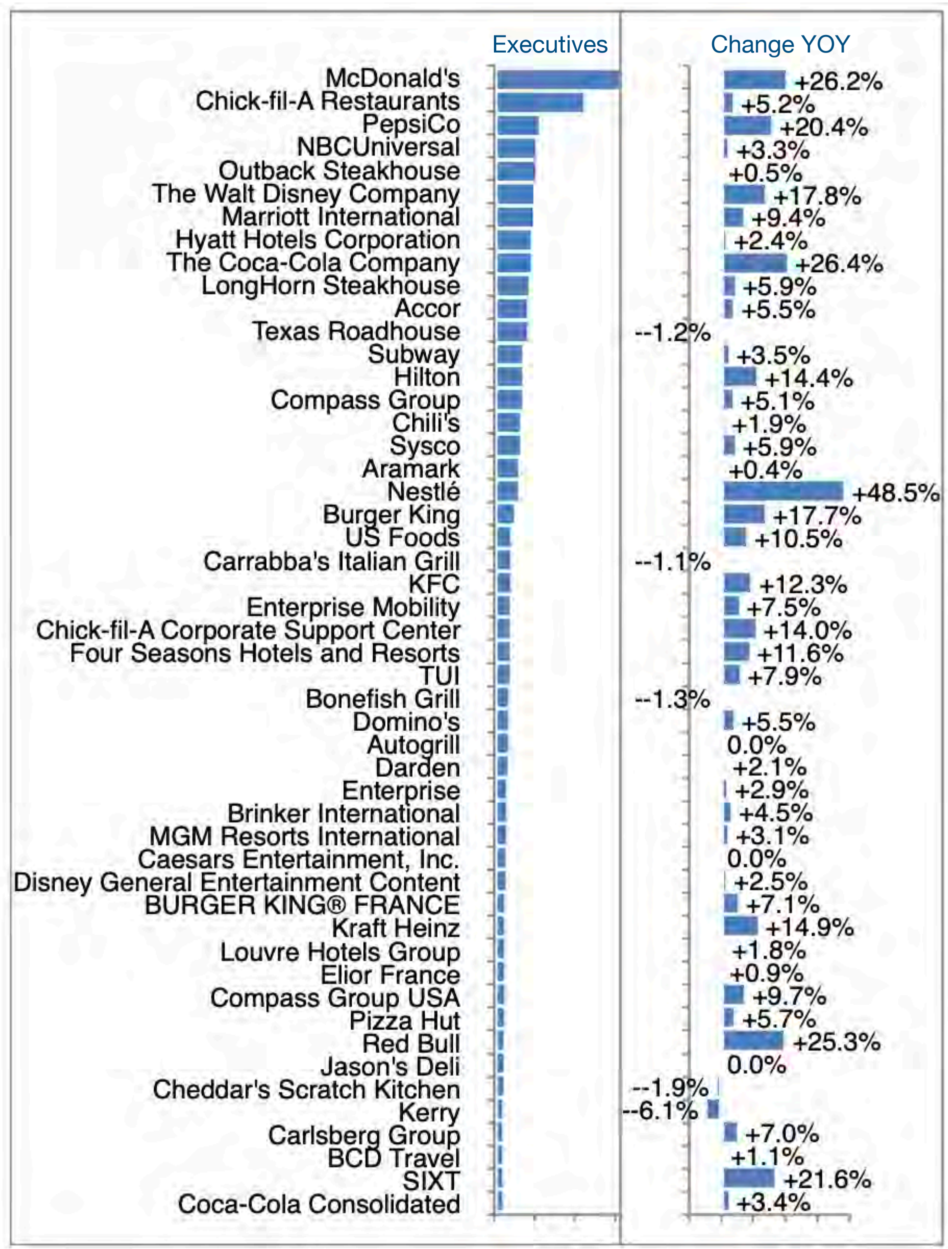
The top 50 employers of executives in this industry appear in Chart 4, although the absolute numbers are small enough that we cannot round them meaningfully to the nearest thousand. Nevertheless, Chart 4 shows the relative size of each employer's executive pool as well as the year-on-year change in that headcount.

Most of these employers are probably quite recognizable and their respective industry segments are equally obvious, but why have some of them grown more than others? Nestle (+48.5%), for example, added significantly to their executive ranks in March and April 2024 including talent from PZU, Cereal Partners Worldwide, and OneTrust PrivacyConnect with a focus on consumer packaged goods experience.

The Coca-Cola Company (+26.4%) hired in a similar timeframe but from a rather diverse group of less-related industries, including Nike (Apparel), Bain & Company (Private Equity), Kraft Heinz (Food), and Kumori Technologies (Technology). McDonald's (+26.2%) brought on talent continuously from predictable sources such as Pizza Pizza Limited, but also from less expected companies including Albertsons Companies (Retail) and Lowe's Companies, Inc. (DIY). Beyond Restaurants, Hospitality, and Food and Beverage Retail specializations, intriguingly, McDonald's also hired for Biotechnology Research and Motor Vehicle Manufacturing.

Red Bull (+25.3%), a specialty beverage manufacturer based in Austria, focused on hiring for Food and Beverage Manufacturing, Hospitals and Health Care, and Technology specializations from smaller companies in Norway, Germany, the Netherlands, and Kazakhstan. PepsiCo (+20.4%) appears to be on a bit of a hiring spree at the moment, with talent acquisitions in the predictable Food and Beverage and Restaurant specializations but also in Pharmaceutical Manufacturing, Telecommunications, Software Development, and Soap and Cleaning Products Manufacturing. Talent donors include well-known firms such as Vodafone, Ambev and Kraft Heinz, as well as less well-known companies in Egypt, China and the Ukraine.

Chart 4: Executives' Employers



INDUSTRY UPDATE: Travel & Leisure

Naturally, the data in this Industry Update remains high level and less detailed than the research available to TBG's clients who benefit from broad industry screening, in-depth company profiles, and interview support specifics on hiring managers as may be required during clients' career change programs.

Chart 5 provides an overview of where hiring is taking place in this industry as well as the prospects for further demand.

Editor's Note:

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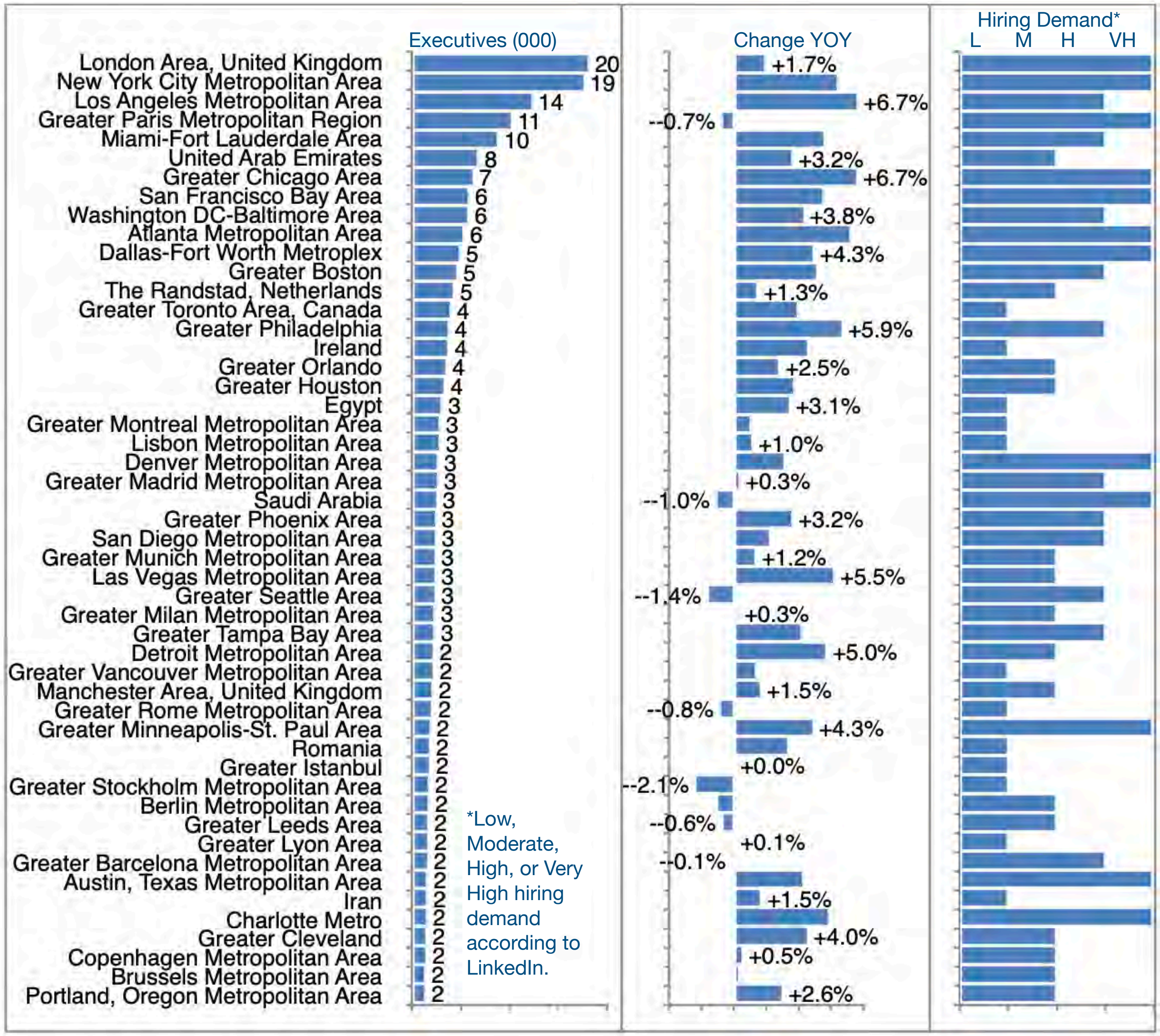
Chart 5: Executives' Employment Locations



A World of Executive Opportunity

INDUSTRY UPDATE: A World of Executive Opportunity

The Big Picture

Between the stock market's gyrations, flaring violence on Europe's eastern border and in Gaza, vitriolic politics, and macroeconomic upheaval, it would be easy to assume that the market for executives is holding its breath at the moment. That does not seem to be the case. The Barrett Group (TBG) serves executive clients mainly in the US, Canada, EU, UK, and Middle East and sees only vibrant activity in this market of approximately 11 million executives as we define them. (See the Editor's Note for details.) The graphic below provides an overview of TBG's world, highlighting in particular the executive opportunities, by which we mean newly created executive positions plus the exchange of incumbents when one person leaves and another is hired. In total, this "churn" represents more than 500,000 executive positions each year. The regional markets are also growing at somewhat different rates, but more striking than that is the lingering gender bias whereby females occupy 29% of executive positions in the US and Canada, 25% in the EU and UK, and just 17% in the Middle East.

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Clearly industrial dynamics have an enormous impact on executive employment. Chart 1 provides an overview of how the largest segments are faring with respect to their stock of execs.

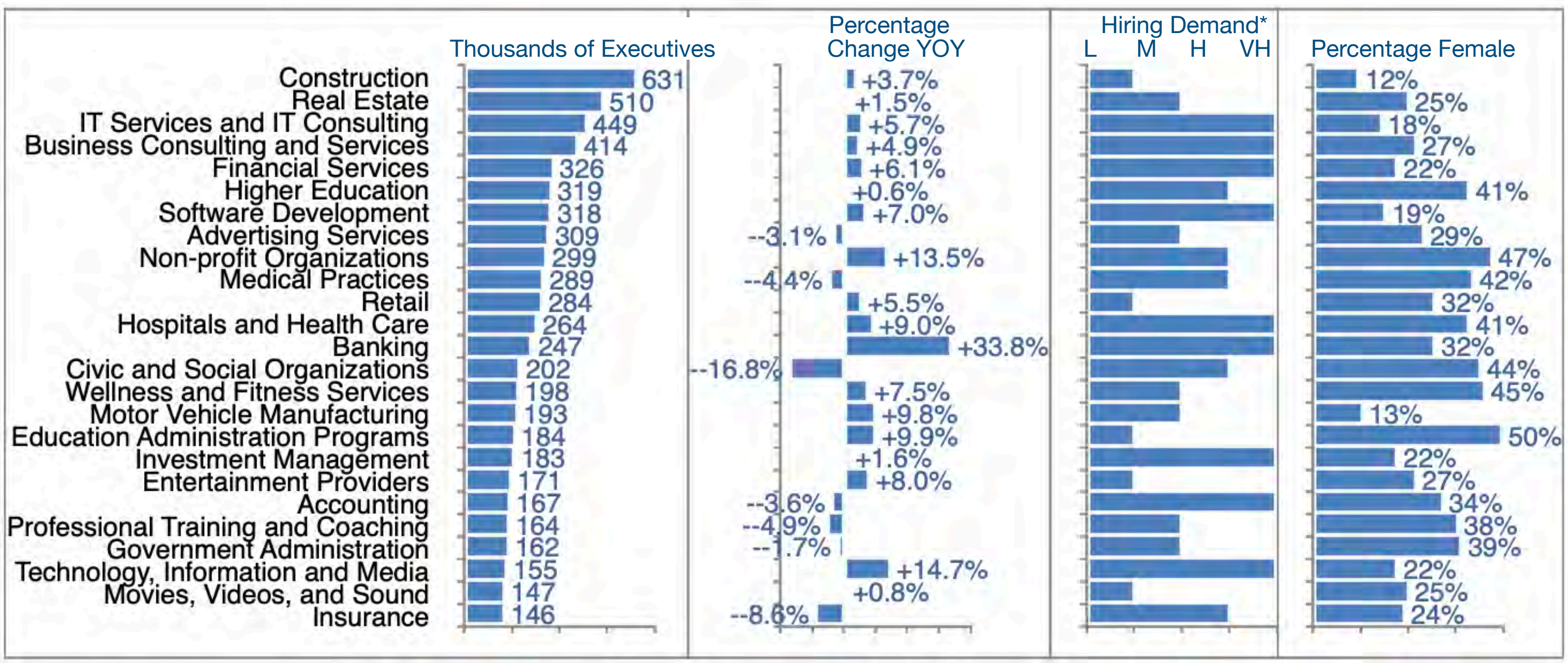
Take Construction, for example. In this period at least, this sector has added 3.7% more executives, reaching a total of 631,000, but the forward-looking hiring demand is low according to LinkedIn, and the share of female executives is very low at just 12%.

Contrast that with the Banking sector, that appears to have grown by almost 34% while experiencing very high hiring demand and employing a relatively average share of female executives at 32%. To understand why banking is growing, one might look to the big players who are doing relatively well in the latest period but the top growth in executives was actually elsewhere according to LinkedIn including Banc of California (+47.7%), Société Générale (+41.9%) and PKO Bank Polski (+21.3%). Among banks, Vice Presidents, Directors, Senior Vice Presidents, Managing Directors, Presidents, and CEOs drove the growth in executive headcount.

Alternatively, consider Civic and Social Organization's dramatic -16.8% decline. What is driving that? Here's one perspective:

> *[…] civic associations have radically declined in number and reach in the last decades. As documented in Robert Putnam's Bowling Alone, this decline began in the 1960s and has since accelerated. Many causes he cites—two-career families, the rise of individuated mass entertainment, and more recently the ubiquity of social media—will not reverse themselves and indeed are likely to grow stronger in force. [See source.]*

Chart 1: Top 25 Industries Employing Executives



*Low, Moderate, High, or Very High Hiring Demand per LinkedIn.

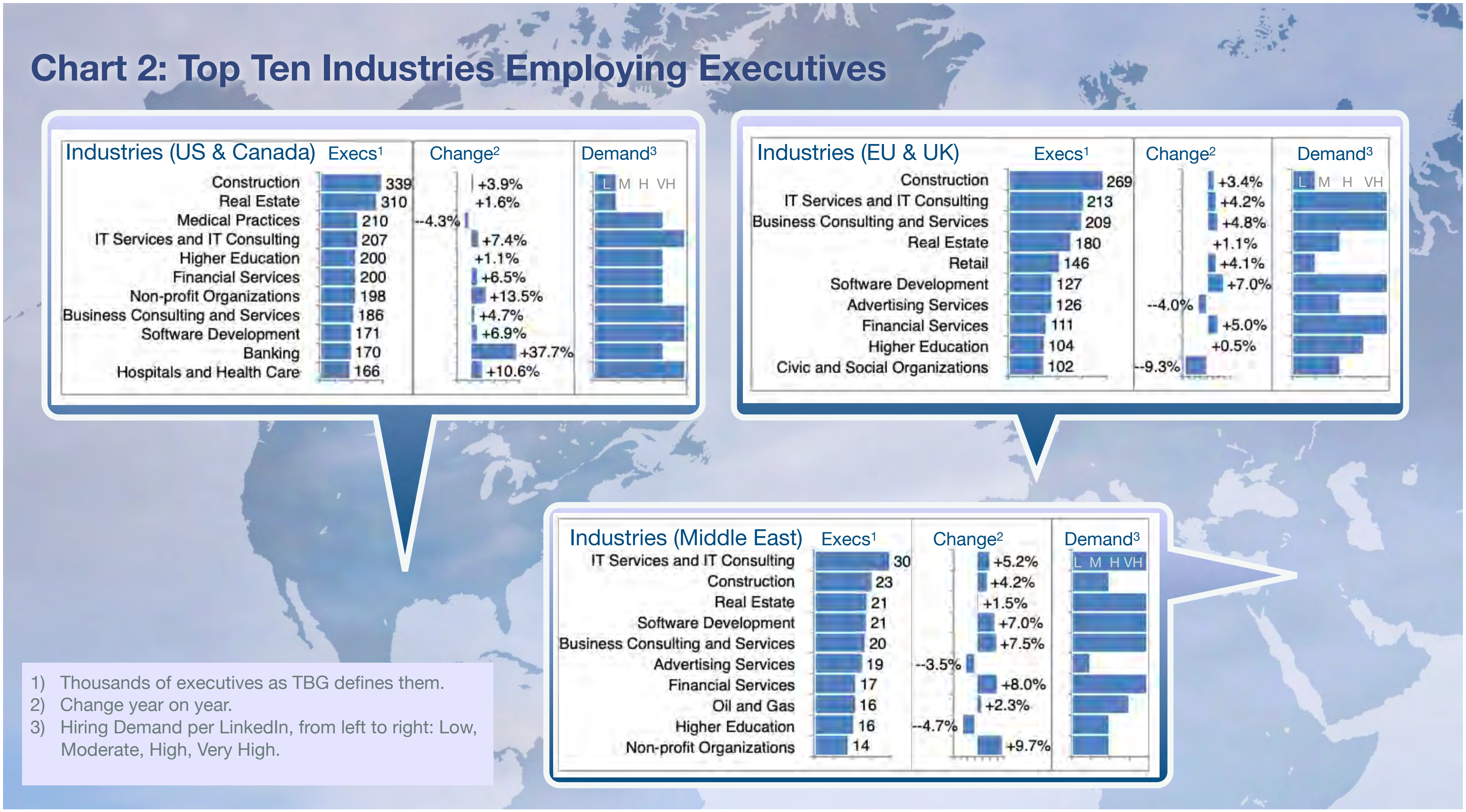
Several industries stand out with very high hiring demand per LinkedIn, e.g., IT Services, Business Consulting, Financial Services, Software Development, Hospitals and Health Care, Banking, Investment Management, Accounting, and Technology, Information and Media.

Female executives achieve their highest shares in Education Administration Programs (50%), and Non-profit Organizations (47%).

INDUSTRY UPDATE: A World of Executive Opportunity

Naturally, there is only so much room to go into the major trends in a summary document such as this, however, TBG's clients benefit from significant research support whether at the early, screening industry stage, or later in their career change processes as they prepare for critical interviews and require in-depth profiles of target companies and/or hiring managers.

Chart 2 explores some regional variation in the top industries employing executives, their rates of growth and the future-oriented hiring demand as forecasted by LinkedIn. By way of explanation, Construction, for example, shows 3.4% or 3.9% growth in the EU/UK and US/CA cohorts respectively, but in both cases a low hiring demand outlook. In the Middle East, on the other hand, growth in



INDUSTRY UPDATE: A World of Executive Opportunity

this vertical is a little more robust (+4.2%) and the hiring demand is rated as moderate. The extreme growth in the banking sector also seems to be driven out of the US and Canada based on this data.

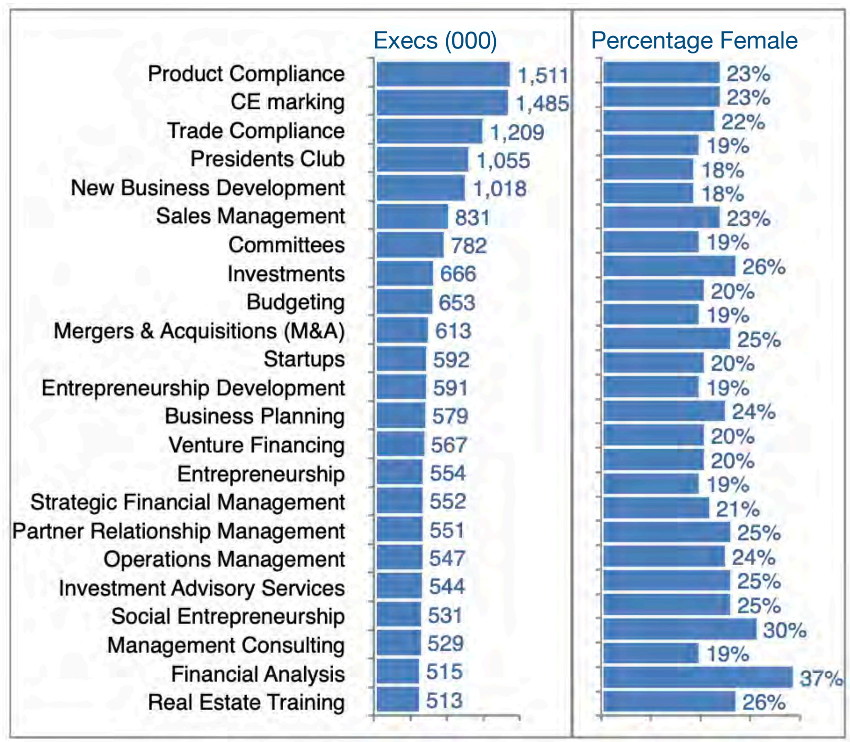
Beyond their primary career industry, executives also list numerous specializations or skills on their LinkedIn profiles, and Chart 3 offers an overview of these in aggregate. Unfortunately, LinkedIn only hints at the relative demand in this sector by highlighting the number of help-wanted posts (on LinkedIn) per specialization. The top areas per this metric include Analytical Skills, Finance, and Budgeting, followed by Accounting and Risk Management.

Of course looking only at the help-wanted ads is rather like judging an iceberg without taking the mass below the waterline into account. TBG finds that 75% of our clients land new executive positions through the unpublished market which is three times larger than the published market (want ads) and the recruiter market combined. [Read more about the unpublished market.]

Also in Chart 3 we highlight the relative share of female executives in each of these verticals, which, beyond the regional variation noted earlier, varies also considerably from a high of 37% (Financial Analysis) and 30% (Social Entrepreneurship) to a low of 18% (New Business Development or Presidents Club). There is nothing objectively constraining these shares. Cultural bias seems to drive these ratios more than anything else. [Read more about Female Executives.]

At the outset of each executive's program TBG always encourages clients to take a broader look at their careers and consider where else their skills and experience may be more valuable or more in demand. The process of rendering an executive's experience transferable is one of our many specialties. [Read more about transferability.] It is also key as we watch some industries flourish while others wither. Over our 34 years of helping executives transform their careers we have seen enormous change, and there is clearly more to come. Take the prospect of ubiquitous and inexpensive electricity, for example. How will that affect your industry and role? [Read more about electricity's future.]

Chart 3: Top 25 Executive Specializations



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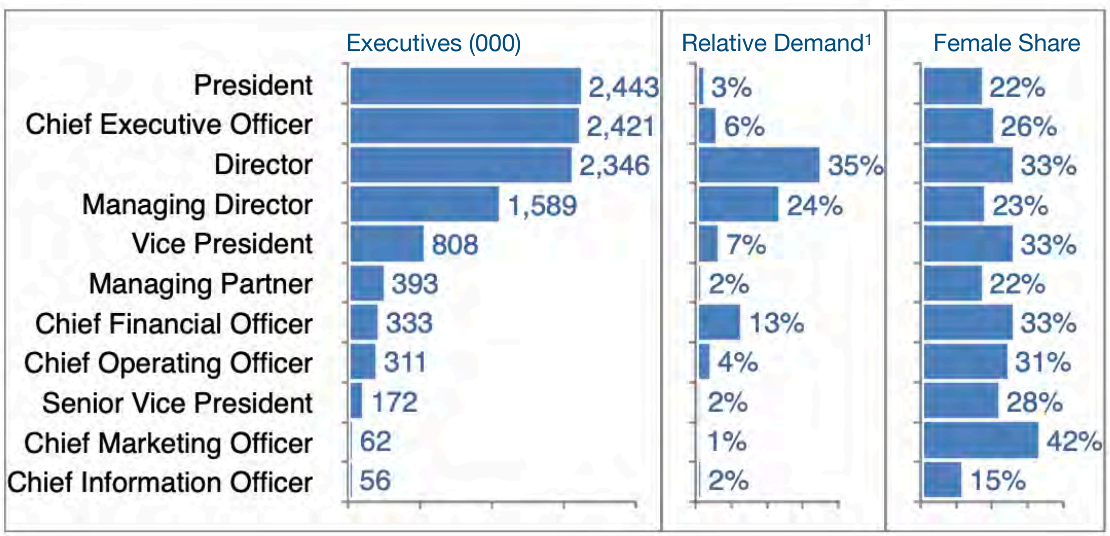
INDUSTRY UPDATE: A World of Executive Opportunity

Looking at Chart 4, one has to wonder why there are so many Presidents and CEOs in this overall cohort versus Directors or VPs. The answer is that much of this mixed industry group is comprised of smaller companies that may not have a Vice President level at all—smaller, flatter companies, so to speak. This is also one of the reasons they are hiring relatively a lot at the Director and Managing Director level, though here too this demand is predicated only on the published market (want ads) whereas the actual market is usually as much as five times larger.

We also see consistent demand across virtually all industries for CFOs and financial and analytical skills in general, though this may also be driven less by growth and more by a lack of qualified candidates.

Clearly, women play an important role in this cohort, reaching a peak in the Chief Marketing Officer role (42%) per Chart 4, but also in positions not specifically shown on the chart including Chief Human Resources Officer (66%), Co-President (41%), and Board President (38%). As we will see on Chart 5, there is considerable regional variation in these shares, too. For example, according to a recent survey: “With an EU-wide average of around 35 per cent, only one in three management positions is held by a woman. In Germany, the proportion was even lower than the average, at just under 29 per cent.” [See source.]

Chart 4: Top Executive Titles

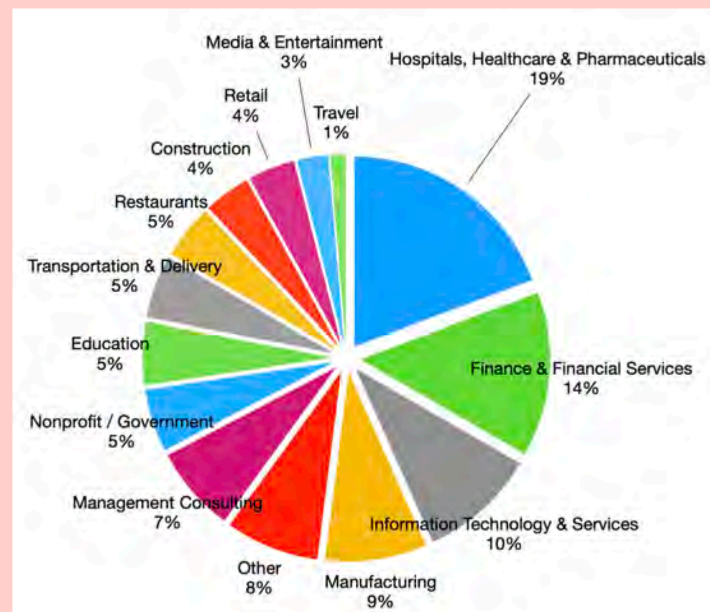


1) Share of help-wanted ads posted on LinkedIn

Example Recent Results

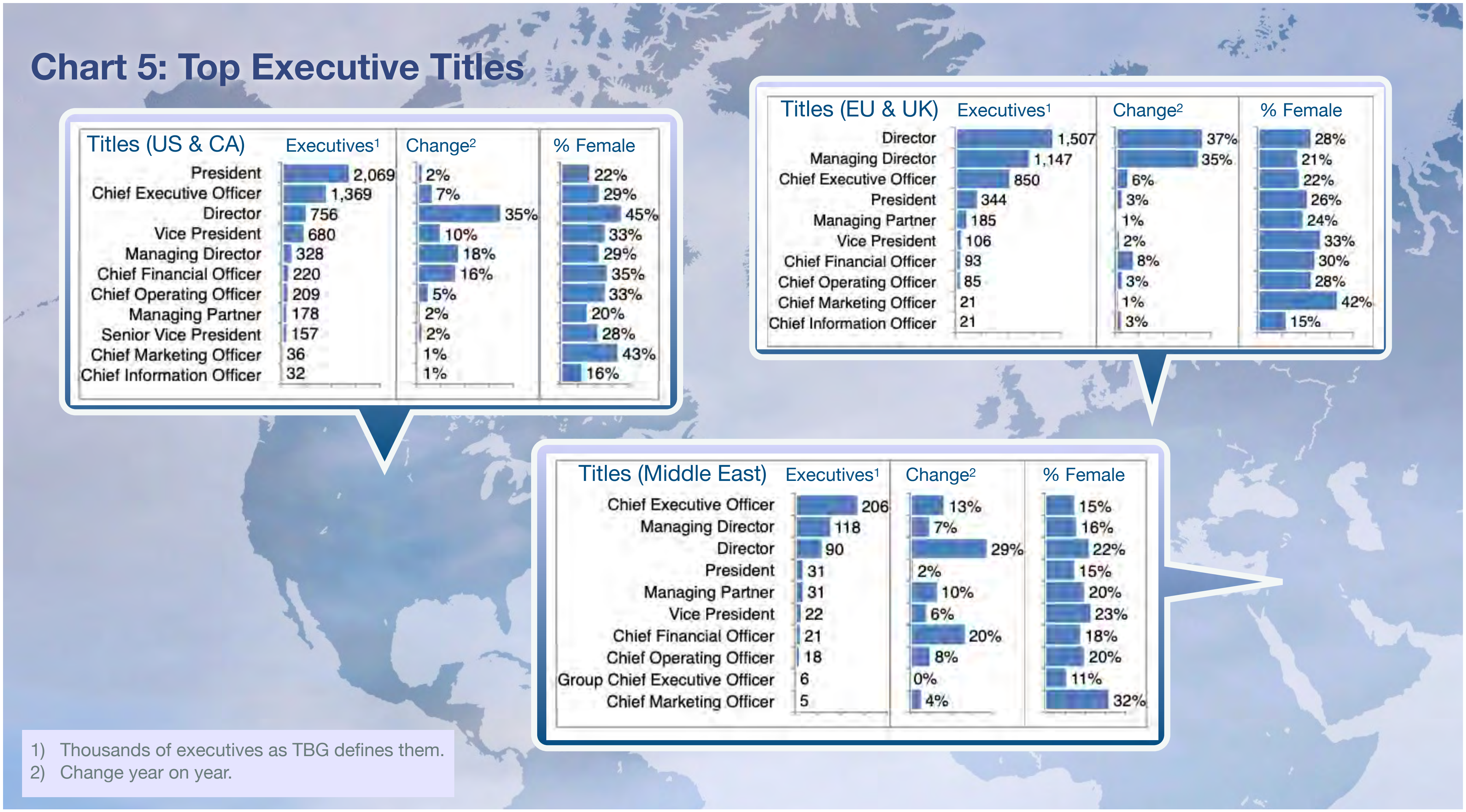
Unique in the industry, TBG publishes our clients’ successes each week on the Front Line Reports page where you can see exactly how our clients are interviewing, obtaining offers, and landing positions. Here is a snapshot as of August 2024 summarizing their achievements. About 45% of our clients so far this year are clearly senior management, being either C-level, VP of one flavor or another, Heads of functions, Managing Directors, General Counsels, or General Managers. Directors and Managers make up another 37%. [Read more about clients landing.]

Landed Executive Clients’ Industries



INDUSTRY UPDATE: A World of Executive Opportunity

Comparing macro-regions, we see the relative concentration of the industrial landscape in the EU/UK (i.e., a lower number of CEOs and Presidents versus a higher number of Directors) versus the US and Canada where Presidents and CEOs predominate due to the prevalence of smaller firms. Of the 33.2 million companies in the US, for example, only 20,000 have more than 500 employees. [See source.] The Middle East also exhibits a smaller company structure with a high share of CEOs relative to other positions. There certainly seems to be growth at the Director level in all cases and to a lesser extent in the CFO role. As noted previously, female executives appear particularly common in the Chief Marketing Officer role, as well as at the Director level in the US and Canada.



INDUSTRY UPDATE: A World of Executive Opportunity

Locations (Chart 6) may be more a consequence than a driver for many executive positions, although with remote and hybrid positions growing rapidly, that may change over time. In fact, industry verticals themselves, and the top employers in each actually drive executive opportunity. We offer a short list of our latest Industry Updates at right hoping that readers may also find these useful.

TBG's Most Recent Industry Updates

- Advertising & Marketing - 07/2024
- Travel & Leisure - 06/2024
- Manufacturing - 05/2024
- Construction & Real Estate - 04/2024
- Financial Services - 04/2024
- Female Executives - 03/2024
- Human Resources - 03/2024
- Big Tech - 02/2024
- Energy - 01/2024
- Private Equity & Venture Capital - 12/2023
- Management Consulting - 11/2023
- Health Care - 10/2023
- Information Technology - 10/2023

Chart 6: Top Ten Executive Locations

Locations (US & CA)	Execs[1]	Change[2]
New York City Metropolitan Area	638	+0.9%
Los Angeles Metropolitan Area	395	+0.4%
Washington DC-Baltimore Area	238	+0.8%
Miami-Fort Lauderdale Area	215	+0.5%
Greater Chicago Area	204	+0.8%
San Francisco Bay Area	200	+0.7%
Greater Boston	170	+0.9%
Atlanta Metropolitan Area	166	+0.7%
Dallas-Fort Worth Metroplex	164	+0.9%
Greater Philadelphia	133	+0.8%

Locations (EU & UK)	Execs[1]	Change[2]
London Area, United Kingdom	453	+1.5%
Greater Paris Metropolitan Region	215	+1.6%
The Randstad, Netherlands	108	+0.5%
Ireland	75	+1.1%
Greater Munich Metropolitan Area	69	+1.7%
Manchester Area, United Kingdom	59	+1.4%
Romania	54	+0.8%
Greater Madrid Metropolitan Area	51	+1.0%
Greater Stockholm Metropolitan Area	50	+0.3%
Greater Milan Metropolitan Area	49	+1.3%

Locations (Middle East)	Execs[1]	Change[2]
United Arab Emirates	129	+2.2%
Iran	61	+0.6%
Egypt	60	+1.7%
Saudi Arabia	51	+2.6%
Greater Istanbul	45	+1.6%
Tel Aviv District, Israel	22	+0.6%
Cyprus	17	+1.2%
Lebanon	15	+0.8%
Center District, Israel	14	+0.5%
Qatar	11	+1.5%

Demand[3] (L M H VH)

1) Thousands of executives as TBG defines them.
2) Change year on year.
3) Hiring Demand per LinkedIn, from left to right: Low, Moderate, High, Very High.

Information Technology

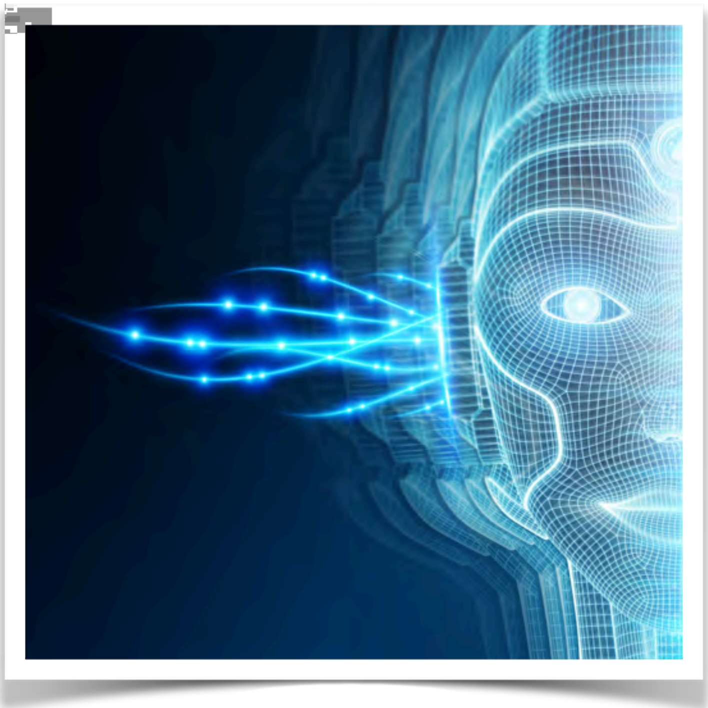
INDUSTRY UPDATE: Information Technology

Introduction

There is little question that artificial intelligence (AI) is the main buzz word in information technology (IT) these days. One recent survey suggests that the number of US business leaders planning to invest at least $10 million in AI is set to nearly double in the coming year from 16% to 30%. They are planning to invest for a broad array of potential benefits, including enhancing operational efficiency, increasing employee productivity, and improving customer satisfaction. The same survey highlighted a number of impediments or prerequisites to successful implementation of AI, notably talent attraction and retention. Some 83% of survey respondents underscored this priority: attracting employees who are knowledgeable about AI. [See source.]

Not surprisingly, LinkedIn shows a significant increase in the number of executives citing AI in their profiles—37,000 in the US, Canada, UK, EU and Middle East, up 10% year on year (YOY) with major pockets of competence in London, New York, San Francisco, Washington DC, and the UAE. Still, finding qualified talent is only part of the solution.

> *"As we move into the next phase of full-scale AI integration, leaders will need to develop a holistic strategy that completely reimagines the entire enterprise system to create an AI-centric business that best harnesses the transformative power of the technology."* [Traci Gusher, EY Americas AI, Data and Automation Leader; see source.]



Concerns about the ethics of AI as well as having adequate technology infrastructure and data resources to truly benefit from AI also bubble up as major questions for businesses in this sector. However, interest is clearly growing as another source emphasizes: "Gen AI has seen a spike of almost 700 percent in Google searches from 2022 to 2023, along with a notable jump in job postings and investments." [See source.]

Overall, technology investments actually appear to have fallen in 2023 by 30-40% to a total of $570 billion—in spite of which innovation ramped up in three key areas according to McKinsey: "gen AI, applied AI, and industrializing machine learning." [See source]. By way of explanation:

> *Gen AI creates new content from unstructured data (such as text and images), applied AI leverages machine learning models for analytical and predictive tasks, and industrializing machine learning accelerates and derisks the development of machine learning solutions.* [See source.]

The other major area of investment in technology encompasses energy:

> *Meanwhile, electrification and renewable-energy technologies continue to capture high interest, reflected in news mentions and web searches. Their popularity is fueled by a surge in global renewable capacity, their crucial roles in global decarbonization efforts, and heightened energy security needs amid geopolitical tensions and energy crises.* [See source.]

Concerns about the macroeconomic situation in the past year reportedly led to an apparent 17% decrease in global job postings but a 26% decline in those related to tech. However, AI-related technology and renewables both demonstrated hiring gains despite the underlying negative trends, whereas certain other specializations suffered significant (minus 30% or more) declines in hiring across all organizational levels per this source: software development, digital trust and security, cloud and edge computing, industrializing machine learning, and immersive-reality technology. [See source.]

More specifically, a recent survey uncovers the relative maturity of certain technologies by reviewing their investment statuses and categorizing these into "not investing," "experimenting," "piloting," "scaling," and "fully scaled." On the most mature end of the spectrum, Cloud and edge computing came in at 48% "scaling" or "fully scaled," while Generative AI and Applied AI came in at 25% and 26% "scaling" or "fully scaled" and only 26% of respondents said they were "not investing" in these two AI technologies. [See source.]

Another source puts it quite simply: "Generative AI impacts everything."

> *"We often see trends that affect a few parts of an organization, but generative AI has the potential to be a catalyst for change from back office to consumer products and everything in between," says Mike Storiale, vice president of innovation development at financial services firm Synchrony.* [See source.]

The same source goes on to explain how Generative AI becomes a change agent forcing an organization to look under every stone with the result that prioritizing resources becomes a major challenge, as do speed and agility while still moving thoughtfully. In a related development, the data architecture required to support AI effectively may be quite different from existing models. This becomes particularly evident when deleting information. "Deleting data from an AI model is not like deleting an email or record from a database; it's far more complex. […] It will require new specialist skills to manage AI data models." [See source.]

A further source emphasizes the humanizing character of AI as the interface between man and machine evolves toward friendly "chat-bot" or voice-operative personalities, thereby encouraging more and more interaction. Many readers will have already interacted with Alexa, Siri, or Google Assistant, for example, all of whom are evolving rapidly thanks to AI. Ultimately, personas like these may well become advisors and intelligent agents performing complex background tasks with real world consequences. [See source.] Even direct neural connections to machines are gaining acceptance, particularly in the area of prosthetics. [Read more.]

Let us not forget that AI servers also consume enormous amounts of energy. So much so that, for example, Microsoft is betting on bringing the Three Mile Island nuclear plant back out of mothballs to provide power for AI with debatable implications for the climate. [See source.]

Fortunately, there are other hot topics in IT than AI. As is visible from the data above, the roll-out of Cloud computing is finally slowing down for at least two reasons. First, much of the immediate migration is now behind the companies that chose to migrate to the cloud, and, second, many of the companies that migrated have not necessarily seen the promised benefits yet. One source suggests why: "CIOs didn't make the structural changes needed to unlock the full potential of the technologies they pursued." [See source.]

Zero-trust architecture solutions represent another IT trend attracting a lot of attention, essentially expediting threat assessment and remediation activities by automating many of the tasks involved in guarding against cyber threats. In a related development, systems that encourage "cyber-resilience" (rapid recovery from cyber attacks) are also gaining share of mind among CIOs. [See source.]

Another intriguing area allegedly coming of age is so-called spatial computing, also known as virtual reality (VR):

> *Whereas desktop and mobile used screens as portals to the digital world, spatial will finally combine our disparate realities, fusing digital and physical together. Apps built for this medium will let people immerse themselves in digital worlds with a physical sense of space, or layer content on top of their physical surroundings.* [See source.]

The same source concludes: "The truth is that new mediums [like spatial computing] don't come very often, and when they do, the uptake is slow. But the payoff for diving in early is nearly immeasurable." This explains Meta or Apple VR immersion hardware.

In fact, the list of up-and-coming technologies quickly becomes

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mind-numbing [see yet another list here], but let us now turn our attention to the people who navigate this bewildering array of opportunities and threats—the executives in the Information Technology arena.

The Market for Executives

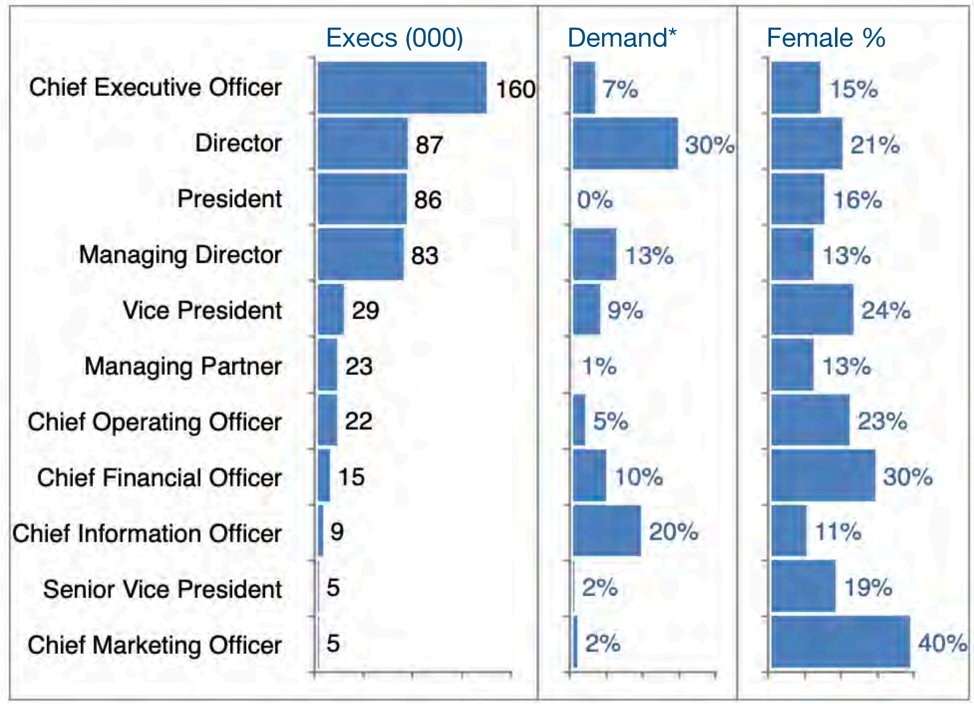
Almost 517,000 executives as we define them work in this industry across the geography targeted by our clients (see Editor's Note). In the US and Canada they total about 242,000 (+8%) and precisely the same in the EU and UK (+5%), with another 35,000 (+4%) in the Middle East. Overall, the population has grown by 6% in the past year, and 20,000 also changed jobs, a relatively high "churn" of 4%. This means that the sector offered almost 50,000 executive opportunities in the last 12 months.

Most execs in this field are male with just 18% female executives on average, slightly higher in the US and Canada at 20%, 16% in the EU and UK, and 14% in the Middle East. In total, LinkedIn says these roles have a very high hiring demand.

In Chart 1, this Update examines the titles of this executive population which must be relatively unconcentrated (i.e., a high proportion of smaller firms versus some other industries) based on the ratio between CEOs and other titles, particularly Vice Presidents. (Only larger firms will have the VP level.) Clearly the major demand appears to have been at the Director level, though it is important to note that in The Barrett Group's (TBG's) experience, the vast majority of executive demand is sourced through unpublished channels and Chart 1 refers only to the published demand. CIO, Managing Director, CFO and VP round out the positions with the highest relative demand.

Female executives populated only the CMO (40%), CFO (30%), VP (24%), COO (23%), and Director (21%) roles to an over-proportional degree. While the participation of women in upper management increases steadily over time, a number of barriers also hold them back. The promotion gap, for example, seems important. One 2022 study found that women were promoted to management at the rate of

Chart 1: IT Executive Titles



*Relative demand based on help-wanted ads on LinkedIn.

Look Who's Landing

In a recent blog post TBG examined our executive clients' titles post-landing. Here is a small selection relevant for IT:

- Chief Commercial Officer
- Chief Executive Officer
- Strategy Consultant - Tech
- Director of Revenue Operations
- Director of Cybersecurity
- Senior Account Executive,
- Senior Product Marketing Consultant.
- Business Operations Project Manager
- Strategic Product Manager
- Country Manager
- Regional Sales Manager
- Managing Director
- Vice President of Accounting Shared Services
- Regional Vice President
- Vice President

Read More about Landings.

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86 for every 100 men over all industries, but just 52 per 100 in IT.

In a rather extensive analysis of this latter issue, one source identifies a number of contributing factors including workplace culture (“50% of women said they had experienced gender discrimination at work, while only 19% of men said the same”), work-life balance (“46% of women said they do not feel supported by their employers to balance their work and home lives”), representation (“72% of women in tech report being outnumbered by men in business meetings by a ratio of at least 2:1”), compensation (“75% of men believe their employer offers equal pay while only 42% of women say the same”), and leadership (women are “more likely to experience microaggressions or to have their judgement questioned”). [See source.]

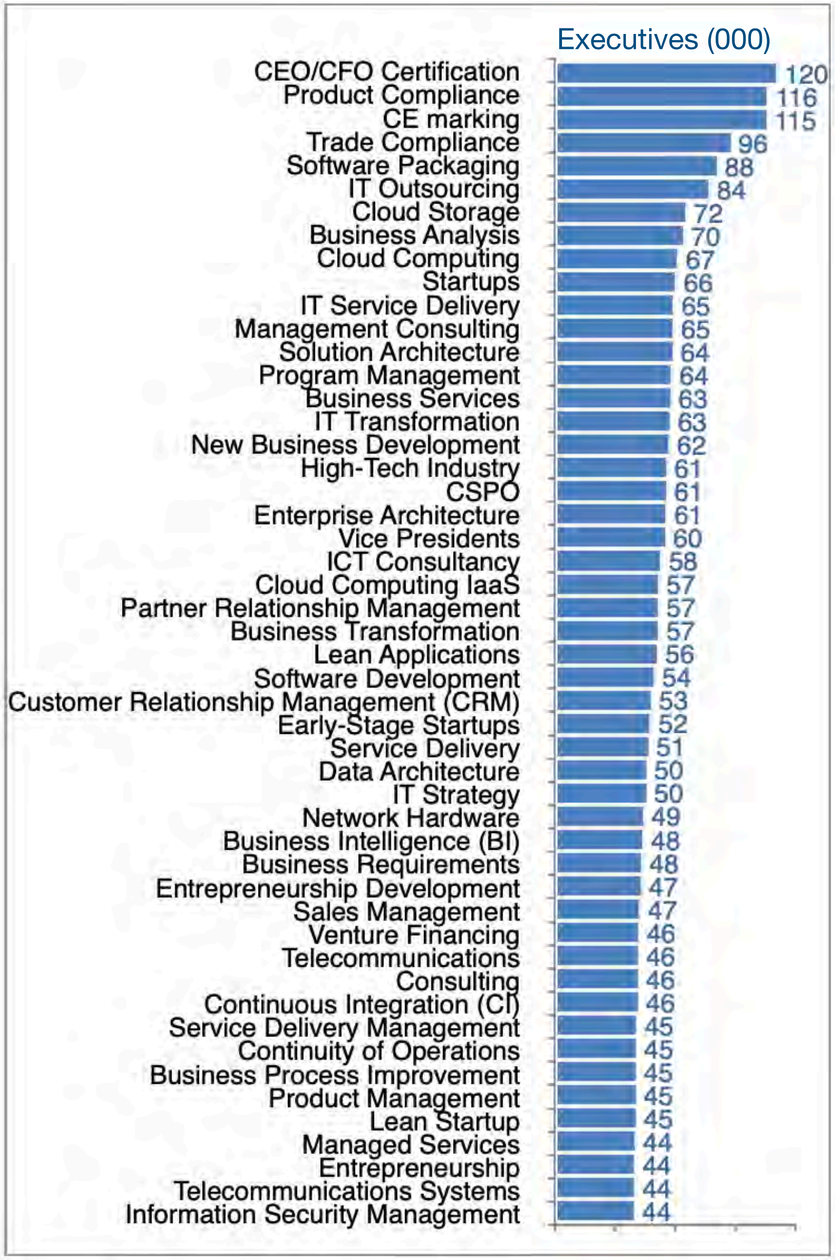
The biases affecting women may also be entrenched beyond IT management: “[A] study from Women in Tech Network found that 65% of recruiters believe that bias is an “ongoing problem in technical recruitment,” noting that women are also 1.6 times more likely to be laid off than men. In 2022, during the mass tech layoffs, a staggering 69% of those laid off in the industry were women. [See source.] In short, if the IT industry wishes to attract and retain female executives, proactive attention to these issues is urgently required.

Chart 2 summarizes the specializations or skills that IT executives have

Editor’s Note:

In this 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, President and Director 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 1 billion 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.

Chart 2: IT Executives’ Specializations



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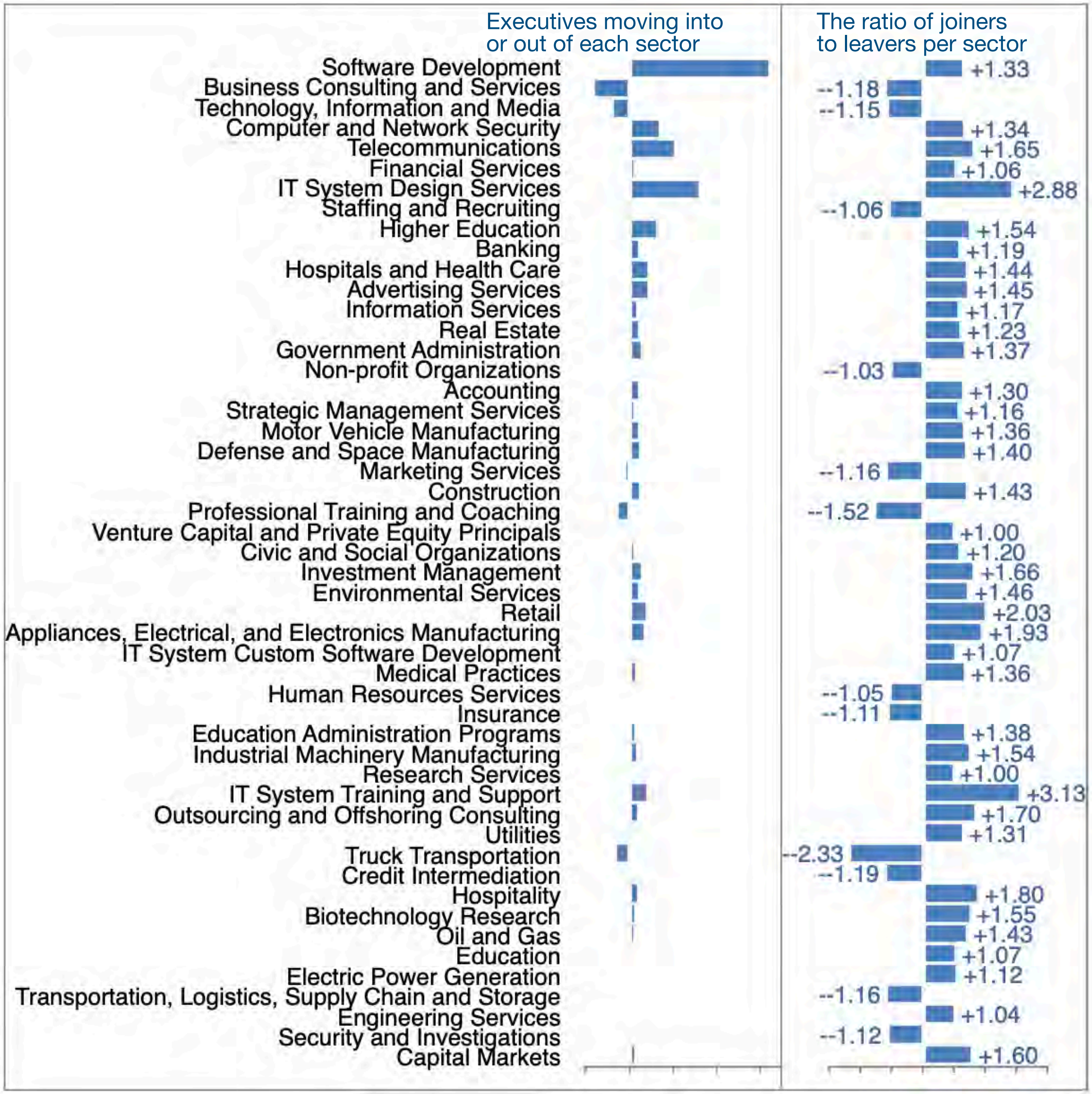
included in their LinkedIn profiles. Relative demand (i.e., help-wanted ads on LinkedIn) focused mainly on Management Consulting, Business Transformation, New Business Development, IT Strategy, and Business Process Improvement in the top 50. Farther down the list, Vendor Management, Infrastructure, and Mergers & Acquisitions crop up as being highly in demand.

In Chart 3 readers will find an overview of the industries to which or from which IT executives are moving in the past year. By way of explanation, a positive bar (projecting to the right of the center line) in the first half of the chart means that more executives moved *into* that industry or segment than moved *out* of it. The second half of the chart profiles the ratio of joiners to leavers per sector. For example, IT System Design Services enjoyed almost 3 (2.88) times more executives joining that business activity than those leaving it. Conversely, Business Consulting and Services saw 18% more executives leave this segment than those who joined it.

Because of the relatively small numbers per segment, TBG is not at liberty to divulge specific headcounts in this public document, however, our clients enjoy custom-tailored research on data bases comprising more than 10 million business contacts as they begin their initial career change industry screenings, or indeed, later, when they are preparing for key interviews and need more information, for example, about hiring executives.

Chart 4 turns to the subject of employers, where, again, because of the modest numbers per company, TBG is not permitted to reveal

Chart 3: IT Executive Movements between Industries



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specific executive headcounts per company publicly, however, readers can easily glean an understanding of their relative size due to the length of the bar.

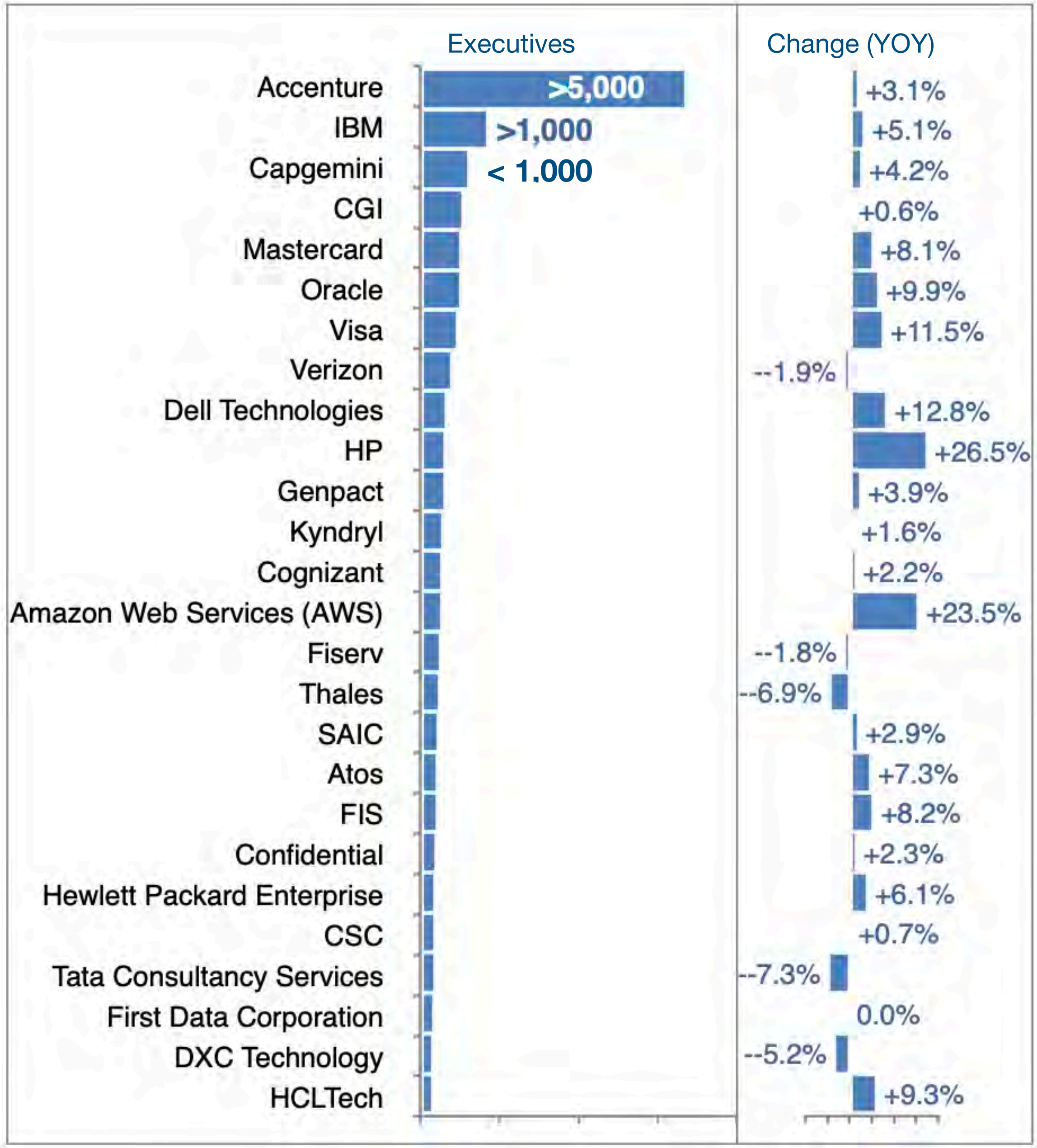
HP shows the highest YOY growth in Chart 4. The IT press announced this hiring drive in April 2024 as HP apparently wanted to refresh its executive ranks for organic growth in various regions. [See source.]

Along with its heady growth in executive headcount, AWS saw plenty of changes in 2024. "From Amazon Web Services' Adam Selipsky officially stepping down as CEO Monday [June 2024] to the recent hiring of Google Cloud's former vice president of engineering, AWS is witnessing a major leadership shakeup. After three years of leading AWS, Selipsky officially left the company June 3, handing over the reins to longtime AWS veteran and new CEO Matt Garman." [See source.]

Dell's 12.8% increase in executive headcount from its post-layoff levels in 2023 is likely to be reversed by new moves announced in August 2024: "According to a recent survey from CNBC and SurveyMonkey, 42% of U.S. workers are concerned about the impact AI will have on their jobs. For Dell employees, this nightmare has just become a reality as the tech company just revealed that it is boosting its investment in AI, and as a result, its workplace has just become "leaner."
An estimated 12,500 Dell employees, who worked in the sales division, have been laid off from their jobs on Aug. 5 as the company is planning to invest in a new group that will focus on AI products and services. "We are getting leaner. We're streamlining layers of management and reprioritizing where we invest," said Dell sales executives Bill Scannell and John Byrne in a memo to employees, according to a recent Bloomberg report." [See source.]

Thales sold its ground transportation business to Hitachi Rail in May 2024, which explains the decrease.

Chart 4: Top Employers of IT Executives



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According to a company statement in May 2024, “Hitachi will enhance its digital services by leveraging IT, OT, and products on an expanded installed base in the mobility arena, and solve global social challenges through co-creation with customers.” [See source.]

For its part, Tata Consultancy has been a donor to several of the companies in a growth mode above, however, there has also been restructuring, for example, the recent end of the company’s contract with Transamerica in Iowa. [See source.]

Lastly, headquarters location remains important even for an industry that supports so much virtual work as many executives still work at least in part from a company office. Chart 5 depicts the top locations for the execs in this industry with London and New York, as usual, vying for top honors, but Washington, DC unusually high in the ranking at third place. Los Angeles, San Francisco, and Paris round out the top six.

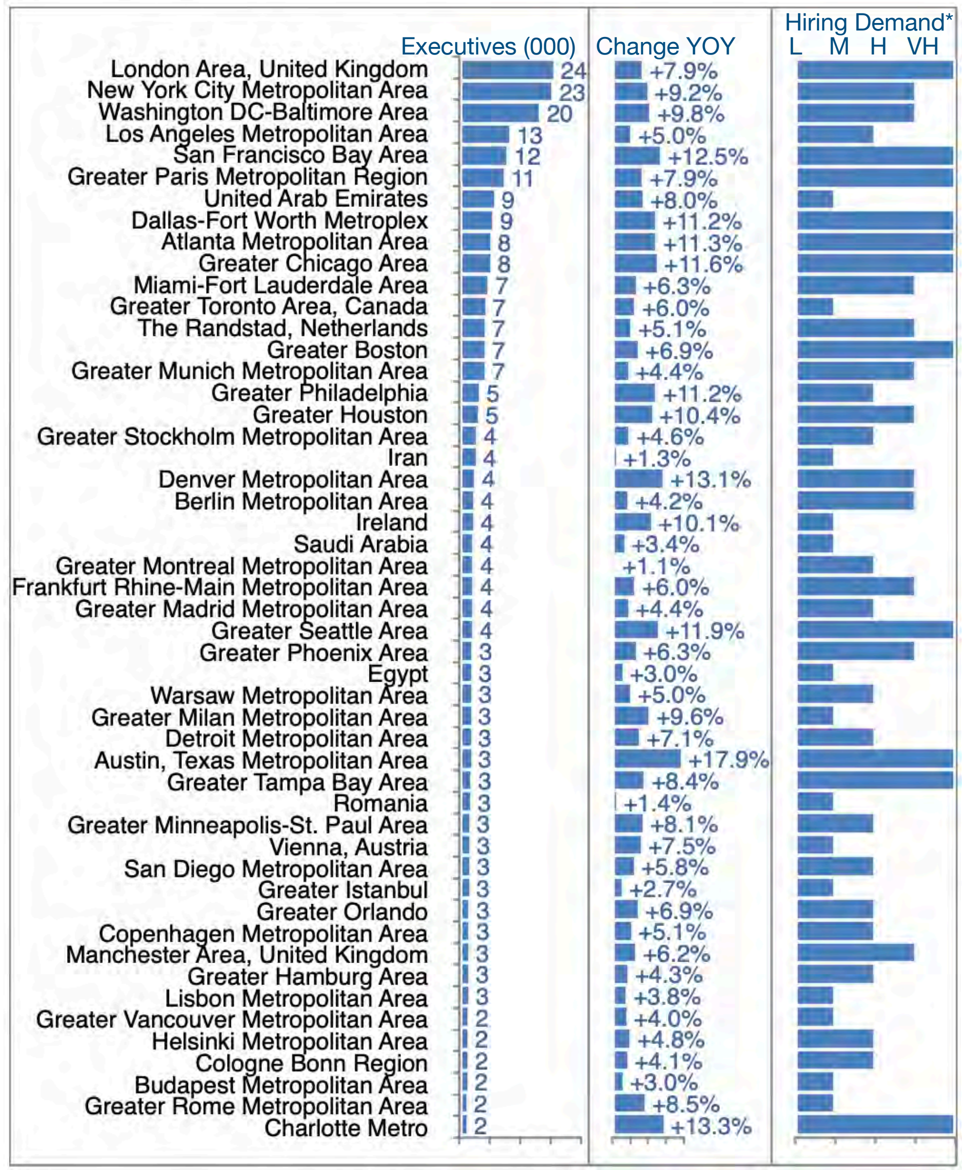
Austin (+17.9%) shows very high growth. Dell, Accenture, and Visa are the largest employers of executives there in the sector. Both in Denver (+13.1%) and in San Francisco (+12.5%), Visa, Accenture, and Oracle constitute the top three.

Historical growth is good, but projected future growth may be even more important for executives in the sector considering a change of location. In this regard, LinkedIn provides its perspective on hiring demand by describing a location as having low, moderate, high, or very high (forward-looking) hiring demand.

London, San Francisco, Paris, Dallas, Atlanta, Chicago, Boston, Seattle, Austin, Tampa, and Charlotte all evince expected very high hiring demand. New York, Washington, DC, Miami, The Randstad, Munich, Houston, Denver, Berlin, Frankfurt, and Manchester all come in at high on the hiring demand scale, too.

Clearly, in a general publication such as this one we cannot meet everyone’s data needs, however, as mentioned above, our clients receive the support of a team of experts, including a research specialist, who can make all the difference when an executive is looking for that needle-in-the-haystack, perfect position. Read Research to the Rescue for more information.

Chart 5: Executives’ Employment Locations



*Hiring demand per LinkedIn: Low, Moderate, High, Very High.

Health Care

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Introduction

For decades analysts simply expected health care costs to significantly outpace inflation, but this trend has now reversed, and health care spending in the OECD has fallen back toward its 2008 level. *The Economist* suggests that several factors are contributing to this sea change:

- health care provision has become more efficient in part because technology is supporting and enabling productivity growth,
- insurance availability has improved (for example, due to the Affordable Care Act in the US),
- fiscal prudence on the part of health care providers (for example in the UK, limiting staff pay raises), and
- the replacement of brand-name pharmaceuticals with generics. [See source.]

A recent survey of insurers also predicted a near-term decline in the growth of medical costs, citing falling inflation as well as the easing of a spike in elective procedures delayed due to Covid-19. [See source.]

Nevertheless, these are huge markets and, with an aging population, a relatively safe bet on continued demand. "Over half of insurers (58%) anticipate [a] higher or significantly higher medical [cost] trend over the next three years." [See source.] As far as the market size and dynamics are concerned, here are a few nuggets, though we caution readers that the data from different sources may not be truly comparable due to differing methodologies:

- In 2023 the global health care market was valued at just short of $8 trillion, up 6.3% from the prior year. It is forecast to grow to about $9.8 trillion by 2027. [See source.]
- In the same year, the US market value reached $3.6 trillion [see source], a per capita spend of about 17.3% of GDP. [See source.]
- Governmental spending on health in the EU came in at €1.2 trillion in 2022 or 7.7% of GDP. [See source.] On the other hand, "Current healthcare expenditure in Germany, France and Austria was equivalent to 12.9 %, 12.3 % and 12.1 %, respectively, of gross domestic product (GDP)." [See source.]
- In the Middle East, the market reached a value of $243.6 billion in 2023, up from $185.5 billion in 2019. [See source.] Spending in the region stood at about 3.7% of GDP in 2021. [See source.]

What trends can we see emerging in the health care marketplace? First, note that we are combining the hospital, medical device, and pharmaceutical sub-industries in this Industry Update for the simple reason that there is an extensive exchange of executive talent between these related industries. Despite this heterogeneous mix, we can generalize about some of the larger trends affecting this market. One source that describes itself as a "healthcare media company that delivers business intelligence" to executives in this marketplace does a neat job of summarizing these as follows:

- mounting financial pressures (particularly labor costs);
- physician and nursing shortage (a shortfall of "124,000 physicians and 450,000 nurses");
- rising influence of payers (insurers have grown and gained some leverage versus health care providers);
- regulatory and policy changes (drug pricing restrictions, for example);
- surge in M&A ("31 announced hospital mergers in the first half of 2024" [see source]);
- non-traditional competitors ("digital natives and retail health giants" entering the market);
- technology and digital transformation (administrative short-cuts, robotic surgery, tele-health); and
- workforce recruitment and retention [See source.]

And then there is artificial intelligence (AI).

Some see this trend as dehumanizing health care, exposing patients to data privacy risks, potentially introducing unintended bias in decision making, adding to data quality issues, being

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rendered cumbersome due to interoperability barriers, and/or driving the overprescribing of treatment. But clearly, technology and health providing companies smell opportunity:

"…in 2023 the health-care world spent about $13bn on ai-related hardware (such as specialised processing chips and devices that include them) and software providing diagnostics, image analysis, remote monitoring of patients and more. [The source] sees that number reaching $47bn by 2028. Analysts at cb Insights reckon investors transferred a whopping $31.5bn in equity funding into health-care-related ai between 2019 and 2022. Of the 1,500 vendors in health ai over half were founded in the past seven years." [See source.]

On the positive side of AI in health care, another source cites the following potential advantages:

- expansion of telemedicine and remote monitoring,
- accelerated diagnosis and disease detection,
- drug discovery and development,
- treatment planning and personalization,
- predictive analytics and risk assessment, and
- increased administrative efficiency [see source.]

This summary would be incomplete without a mention of the new class of drugs shaking up health care, the so-called GLP-1 agonists. Consumers know these as Ozempic, Wegovy, Mounjaro, Zepbound, etc. The important commonality is that they allow unprecedentedly effective treatment of a broad range of conditions from diabetes, to obesity, cardiovascular diseases, liver function, addiction, and possibly even Alzheimer's. Without going into too much detail here, the class of drugs seems to work by having a broad anti-inflammatory effect and the ability to suppress appetite. Some even see potential for slowing the effects of aging. Imagine how impactful and therefore valuable this new pharmaceutical family will be as it proliferates! [See source.]

In any case, the challenges and the opportunities are relatively clear. Who will solve this puzzle? Let us now turn our attention to the thousands of women and men who meet these challenges every day—the health care executives.

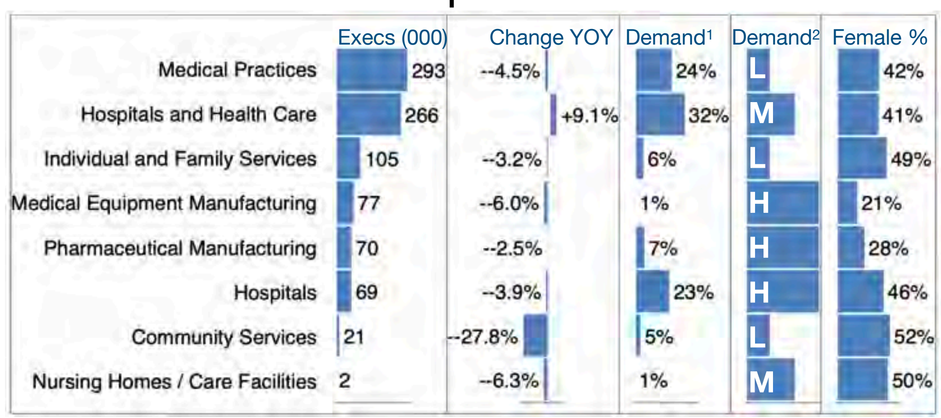
The Market for Executives

Almost 840,000 executives fit the criteria for this Industry Update, down 1% over the last year but with a significant 4% changing jobs in the period—30,000 executive opportunities in total. (See the Editor's Note for more details on how we define executives.) Nearly 550,000 of these executives were in the US and Canada (-2.0%), 258,000 (-0.5%) in the EU and UK, and almost 34,000 in the Middle East (-0.78%). The median tenure came in at about 3.5 years. Lastly, an unusually high percentage of these executives are female—40%.

We mentioned the heterogeneous mix of sub-industries covered in this Update earlier. Chart 1 provides more clarity on the sectors in which these executives work. Apparently Hospitals and Health Care as a LinkedIn industrial category have grown the fastest recently and still exhibit moderate hiring demand. Community Services is contracting and is unfortunately also the sector with the highest female executive share. Still, women hold a high share in other segments, too as detailed in Chart 1.

The diverse structure of this industrial grouping is somewhat invisible in Chart 2 because, while a mid-sized hospital system might have only one CEO and a few VPs or Directors, a large pharmaceutical

Chart 1: Executives per Sector



Demand[1] - Share of help-wanted ads published on LinkedIn in the last year
Demand[2] - Hiring demand per LinkedIn (a forward-looking indication), **L**ow, **M**oderate, or **H**igh

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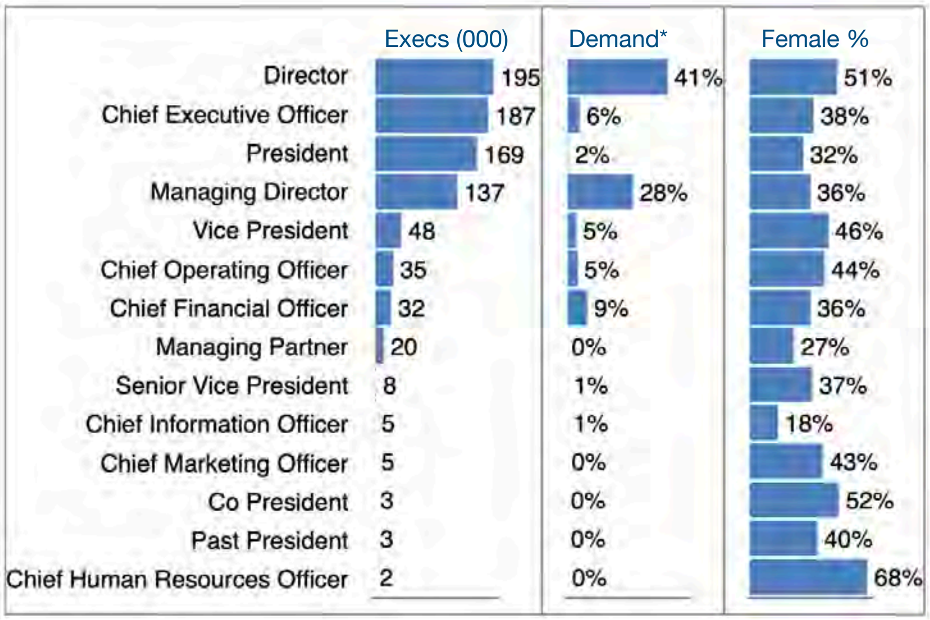
manufacturer is likely to have more VPs and Directors per CEO. The relatively high number of CEOs per Chart 2 nevertheless suggests that this is still a relatively unconcentrated industry and therefore, M&A is quite likely to accelerate over time.

Still, as things stand, per Chart 2, the industry saw the most demand for Director and Managing Director roles in the past year, and, as we have mentioned above, female executives are relatively prevalent versus other industries, reaching their nadir in the CIO role (18%) and their peak in the CHRO position (68%).

Chart 2: Executive Titles



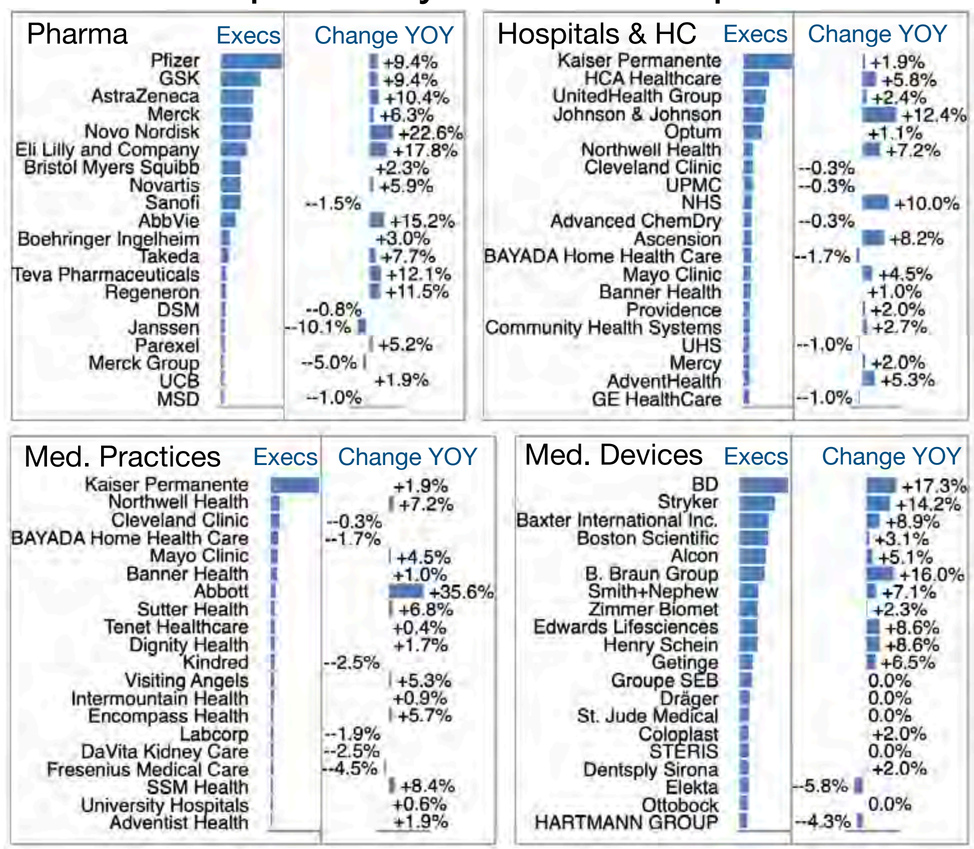
*Demand - Share of help-wanted ads published on LinkedIn in the last year

Chart 3 explores the diversity of this multi-sector industry in more detail by comparing the sectors' top twenty employers of executives. Except privately to our clients we are not at liberty to divulge the actual numbers per company but they range from a low of 45 to a high of almost 1,600 executives across these segments.

In general, the pharmaceutical companies seem to have been on a hiring streak which is interesting given that the sector has also performed well as a group of stocks recently (+14.37% YTD return versus the total industry's 9.36% YTD return.) But medical facilities have actually outperformed even pharma (+24.61%) and medical instruments have done even better (+26.14%), though all of these returns may well have changed by the time you read this. [See source.]

Kaiser Permanente shows up in multiple segments as do a few others. While most of these players are in private hands or public companies, NHS refers to Britain's national health service. Suffice it to say, the term 'heterogeneous' captures the industry well.

Chart 3: Top Twenty Sector Comparison



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Executive headcount growth such as Abbott's (+35.6% per Chart 3) typically does not come organically, and that is indeed the case. The company has reportedly made 27 acquisitions since 1999, including Bigfoot Biomedical and Cardiovascular Systems in 2023. [See source.]

Novo Nordisk's exceptional growth (+22.6%) may well come from its wildly popular Ozempic and Wegovy products as well but it undoubtedly also derives from a number of recent acquisitions including Cardior Pharmaceuticals, Embark Biotech, and Biocorp—all in 2023 or 2024. [See source.]

Medical devices are also seeing their share of M&A activity. Just the top five in the last two years came in at over $25 billion in deal value. For example, Johnson & Johnson, Becton Dickinson and Co. (BD), Thermo Fisher Scientific, and Ingersoll Rand all executed significant acquisitions ranging between $2.5 billion and $13 billion between 2023 and 2024. [See source.]

Chart 4 collects the special skills that industry executives list on their LinkedIn profiles. In many industries the bulk of skills appear to be rather generic and transferable from industry to industry. In this case, however, most of these specializations are highly technical and require an industry-relevant background; only a few such as Life Coaching and New Business Development appear to provide a generalist route into this industry.

The demand column highlights the specializations for which help-wanted ads were posted on LinkedIn in the last year. This suggests that Healthcare Management (16% of help-wanted ads), Quality of Care (8%), Managed Care (7%), etc. are the skills most in demand. We encourage executives to recognize that in most industries this "published market" is only the tip of the iceberg. In general, 75% of The Barrett Group's (TBG's) clients land through what we call the unpublished market—positions so new they have not yet been advertised. In any case, Chart 4's demand figures probably greatly understate the demand in this industry.

Chart 4: Executive Specializations

	Execs (000)	Demand*	Female %
Product Compliance	119	0%	32%
Healthcare Information Technology (HIT)	119	0%	39%
Clinical Research	117	0%	42%
CE marking	112	0%	33%
Hospitals	108	1%	39%
Trade Compliance	101	0%	31%
Cardiovascular Medicine	91	0%	33%
Healthcare Management	87	16%	41%
Nursing	86	3%	49%
Healthcare Reimbursement	80	0%	43%
Quality Of Care	79	8%	44%
Clinical Trials	76	3%	40%
Hospital Operations	75	4%	38%
Emergency Medicine	73	0%	40%
Internal Medicine	72	3%	33%
Medical Devices	71	1%	26%
Health Insurance	71	0%	44%
Presidents Club	71	0%	27%
Patient Safety	71	1%	46%
Hospital Sales	70	0%	31%
Electronic Medical Record (EMR)	70	2%	43%
Medical Records	70	2%	45%
Medical Office	68	1%	43%
Pharmacy	67	1%	36%
Managed Care	67	7%	44%
Immunization	64	0%	39%
Family Medicine	63	3%	37%
Life Coaching	62	0%	45%
Medical Sales	62	0%	29%
Long-term Care	60	4%	50%
Patient Education	60	0%	51%
Cardiology	60	4%	37%
Clinical Care	59	2%	52%
New Business Development	59	5%	25%
Working with Physicians	58	0%	39%
Pharmacology	58	2%	41%
Committees	58	6%	32%
Pharmacovigilance	57	0%	41%
Nursing Education	57	1%	59%
Medical Affairs	57	2%	34%
Medicine	57	3%	32%
Caregiving	57	0%	54%
Surgery	57	1%	32%
Mental Health Counseling	56	1%	57%
Electronic Health Records (EHR)	56	2%	46%
Patient Care Management	56	0%	51%

*Demand - Share of help-wanted ads published on LinkedIn in the last year

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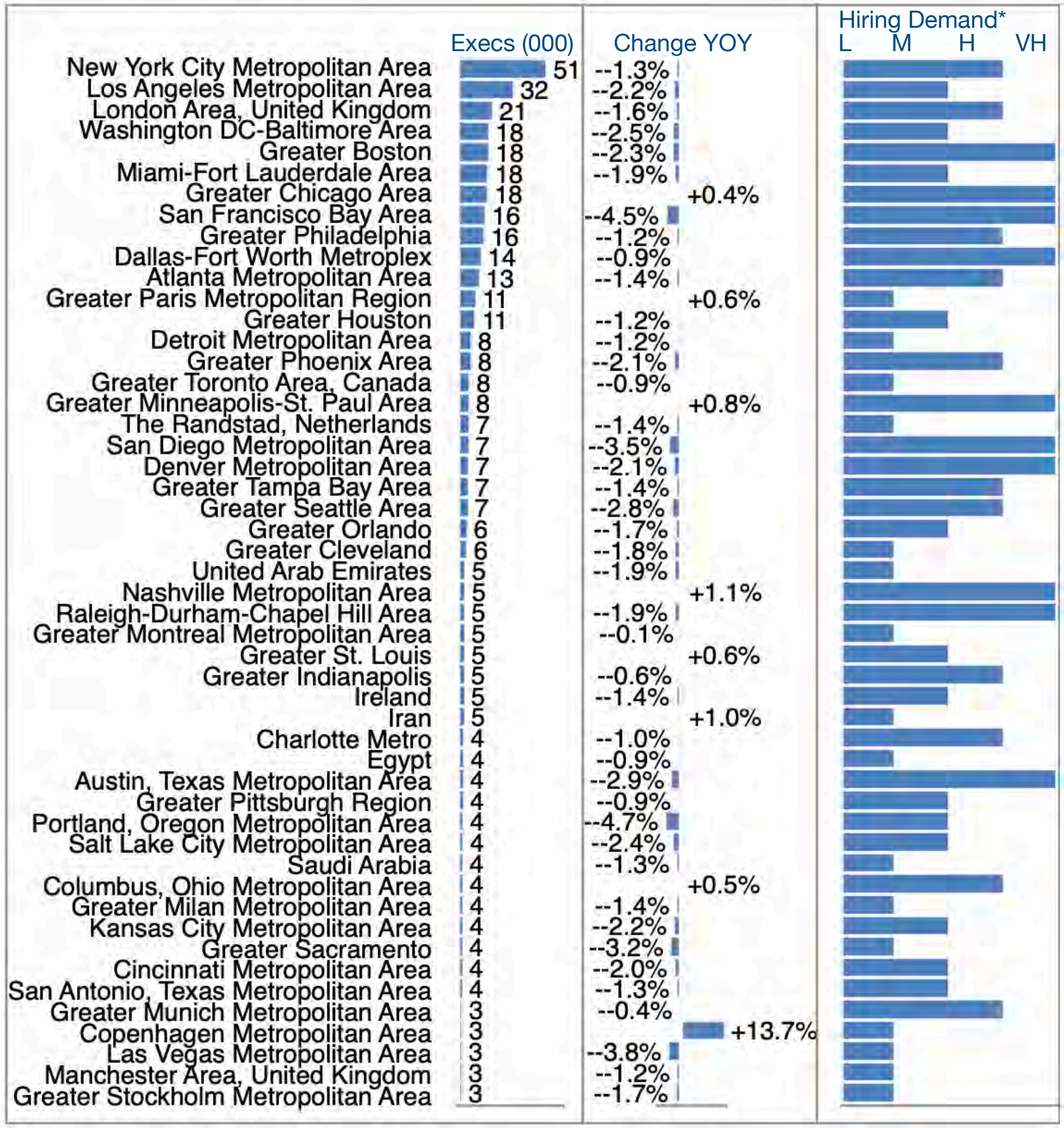
Chart 4 also sheds some light on which specializations are currently most relevant for female executives. Nursing Education (59% female) and Mental Health Counseling (57%) certainly stand out in this regard, as do Caregiving (54%), Clinical Care (52%), Patient Care Management (51%), Patient Education (51%) and Long-Term Care (50%).

Judging by this description of an executive leadership certification for the health care industry, there are probably also many less specialized roles available in this industry: “topics covered will help health care executives, managers, and administrators deal with a variety of issues they experience day-to-day, like finding common ground with finance personnel, finding a solution to health care inequity, dealing with internal departmental conflict, and more.” [See source.]

Of course, an industry that is shrinking can reasonably be expected to shrink almost everywhere, and indeed, per Chart 5, that is exactly what’s happening. However, the shrinkage could be due to a lack of demand or a lack of supply. In this case it seems to be very much the latter as indicated by the hiring demand data which in many cases is high or very high per LinkedIn—consistent with the talent shortage noted in the introduction.

> Editor’s Note:
>
> In this 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, President and Director 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 1 billion 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.

Chart 5: Executive Employment Locations



*Demand - Hiring demand per LinkedIn (a forward-looking indication), Low, Moderate, High, or Very High

Management Consulting

INDUSTRY UPDATE: Management Consulting

Introduction

Why does the management consulting industry exist? Perhaps the fundamental reason is that most companies cannot afford to maintain deep pockets of specialized knowledge on every major subject they may encounter, so they hire firms who do have the required expertise on an ad hoc basis. While the definitions vary, one source suggests that the worldwide spend on management consulting has already breached the $1 trillion mark, of which the US represents about 34% in 2024. [See source.] Growth expectations range in the 4.75% CAGR area, meaning the industry in the US could be worth $430 billion by 2029, and almost $1.3 trillion worldwide. [See source.]

One can certainly debate the relative importance, but some trends are obvious in the world of management consulting this year. Artificial intelligence (AI) definitely deserves a place toward the top. The investment flowing into this family of technologies, the focus businesses are giving to this topic, the potential for revolutionizing so many business processes, the relative lack of deep skill in the market… these are just some of the reasons that management consultants see this as a priority.

Bain Capital describes the dual challenges of decarbonization while providing energy as another key priority [see source]. This has produced possibly surprising bedfellows such as Microsoft contracting with the operators of the Three Mile Island nuclear power plant to provide energy for AI servers [see source]. Wind, solar, battery technology, carbon sequestration… in this subject area there are many rich pockets for specialized consulting practices to provide deep knowledge on complicated but critical questions of strategy, implementation, and operations.

Or what about the challenge of building community while being largely virtual? Should a company insist that employees come back to the office as Amazon has recently done [see source], accept the benefits while going completely virtual (as The Barrett Group has done since 2017), or indeed, adopt some hybrid solution? At the same time, process automation takes on more and more tasks while companies restructure and streamline with the impending implementation of even deeper automation driven by AI lurking just around the corner. How does a company balance these competing impacts on human capital and successfully recruit new talent in this environment?

Additionally, it may seem hard to believe, but recent data suggests that less than half of companies feel they have reached a state of "maturity" with respect to digitalization of business processes—a staple of the management consulting industry now for more than two decades. "The effort to digitally transform is nearly ubiquitous in every part of the business world, but success is still elusive for many organizations. Deloitte reports that only 44% of organizations have high maturity, and just 34% of the Fortune 500 show signs of being strategic about technology investments." [See source.] So we can expect this trend to continue and probably accelerate as AI requires more and different data management resources.

Remember globalization? Sometimes admired, sometimes vilified, but either way the trend was clearly driving investment, manufacturing footprints, sourcing strategies, logistics, etc. in previous decades. Now though, macroeconomic instability, regional jockeying for advantage, tariff barriers and protectionism, critical raw materials, and many other aspects of global trade have become the playthings of politics and resurgent nationalism. For example, "Foreign direct investment is declining markedly in Asia and Europe, and interest in reshoring/nearshoring is rising. Global military spending will reach $3T by 2030, up from $1.9T in 2020, a sign of a rapidly changing geopolitical environment." [See source.]

Lastly, as world populations age, healthcare spending will only increase, and the need for deep pockets of expertise in this sector is obvious. "Projections indicate a total increase of USD 3.4 trillion from 2024 to 2029. With 2029 marking the fourteenth consecutive year of growth, healthcare spending is set to hit a record high of USD 15.1 trillion. This expenditure encompasses government and consumer outlays. The surge in spending is concurrently driving up the demand for management consulting services within the healthcare industry." [See source.]

Indeed, there are so many deep pockets of expertise in the management consulting world that we can hardly profile them all here. Let us then turn to the executives who make it all happen.

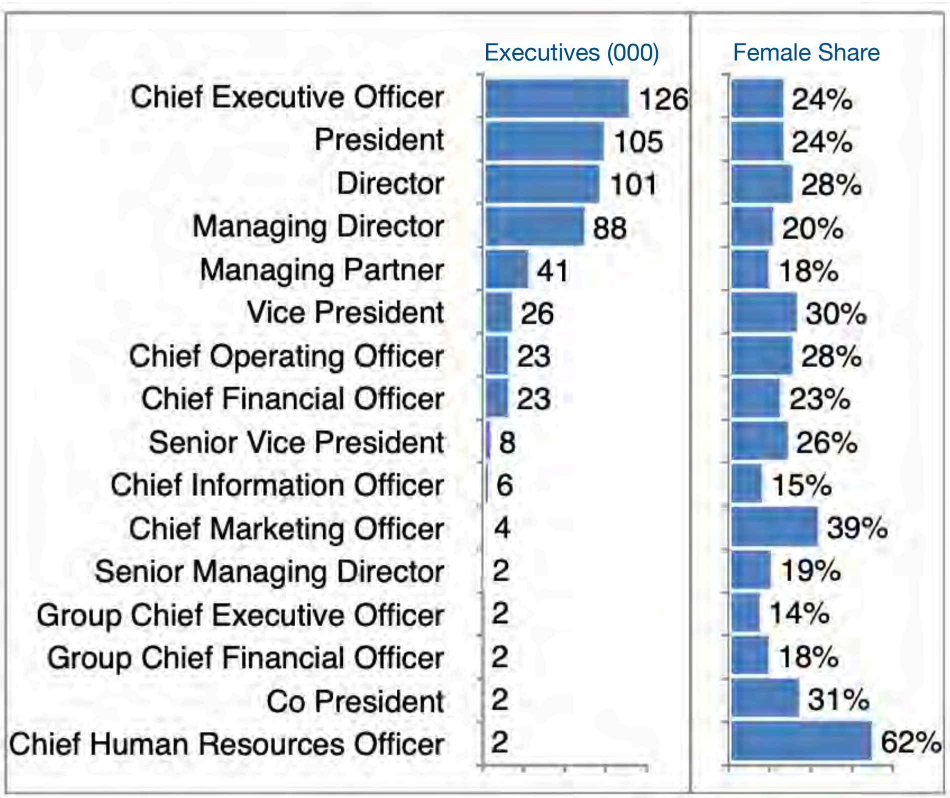
INDUSTRY UPDATE: Management Consulting

The Market for Executives

Almost 543,000 executives list Management Consulting as a specialization on LinkedIn, a group that grew by 3% in the past year and of whom nearly 34,000 changed jobs. This means there were a total of about 50,000 executive opportunities filled in this space in the past 12 months—9% of the total population. That is a very large share by comparison to other industries. In the US and Canada, they number 269,000 (+3%), in the EU and UK, 248,000 (+2%), and in the Middle East, 27,000 (+5%).

As Chart 1 reveals, this is a rather fragmented industry with many

Chart 1: Executive Titles

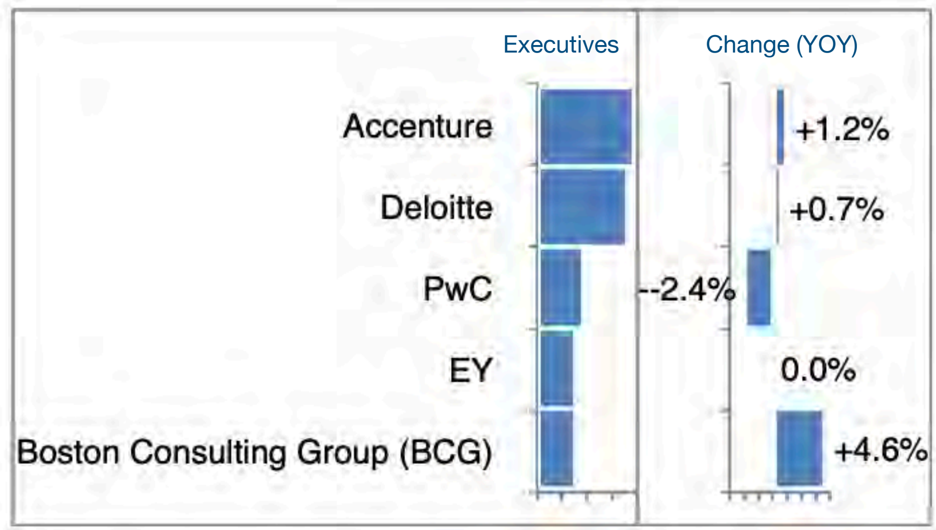


smaller, specialist businesses (as well as a few behemoths). Hence the high share of CEOs and Presidents in the title mix—an indicator of flat and probably smaller organizations. Female executives constitute only about 25% of the overall population, slightly higher in the US and Canada, and lowest in the Middle East. As we often see, women are for some reasons often seen in the marketing and human resources roles, and this industry is no different.

There is no functional reason for this relegation of women to specific roles in our view, and we believe that many other organizations would agree. This is why we see so many firms promoting women executives in the consulting field. For example, here is LinkedIn's top women in consulting list for 2024.

The largest firms' (Chart 2A) executive head counts range between

Chart 2A: Management Consulting Firms



slightly more than 1,000 and almost 3,000. Boston Consulting Group (BCG) shows exceptional growth in the short term apparently by focusing on climate issues and decarbonization, although the firm has been awarded accolades by Forrester Research in the AI arena, has

INDUSTRY UPDATE: Management Consulting

been selected to advise the US FDIC agency as it seeks to implement its "Action Plan for a Safe, Fair, and Inclusive Work Environment," but BCG also "admits to paying bribes for Angolan government contracts".

On the other hand, "PwC plans to lay off 1,800 employees – or 2.5% of its 75,000-person workforce in the US" according to the Wall Street Journal. The same source continues, "The layoffs are PwC's first formal round of cuts since 2009, having avoided the series of cuts enacted by its Big Four peers last year. Deloitte announced a 1.5% cut to its US workforce, KPMG US cut 5% of its employees, and EY US cut 5%."

Earlier this year Accenture announced a number of management changes including "the appointment of new leaders who have been helping advance its strategy to reinvent companies in the age of AI and drive long-term growth for Accenture." [see source.]

Deloitte also revealed major changes in 2024. "Deloitte's advisory business would be cut to three divisions from four. Its consulting, financial advisory and risk advisory divisions will be brought into two new units: Strategy, risk and transactions; and technology and transformation. The new structure is likely to be in place by June 2025 and it would "modernise and simplify" strategy, according to the company." [See source.]

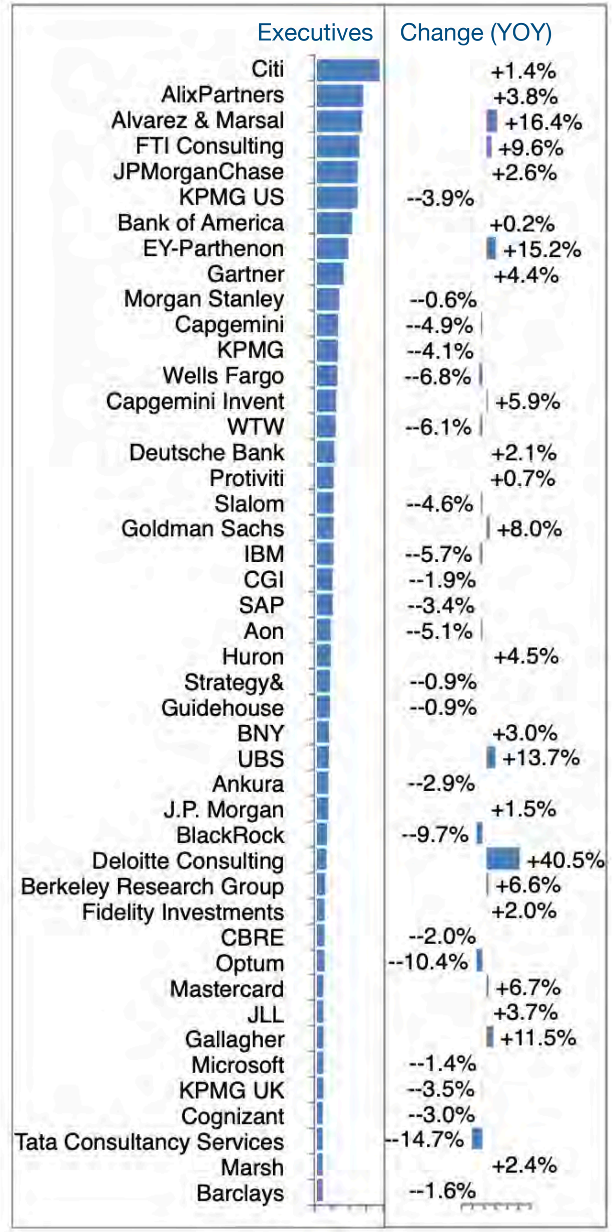
As mentioned above, EY made reductions in 2023, so there has been little change in the total number of executives in the meantime.

Beyond the behemoths, there are myriad other consulting firms (a sample of which you will find in Chart 2B) also employing executives in this industry, although the relative size of these firms is substantially smaller—too small in fact to be individually reported. Alvarez & Marsal (NY, +16.4%) added accounting skills as well as a broad palette of other specializations. EY-Parthenon (Boston, +15.2%) represents a unit of EY that lists separately on LinkedIn saying this about its services, "At EY-Parthenon, 9,000+ multidisciplinary professionals in teams across 120 countries help provide EY clients with corporate, transaction and turnaround strategies…"

UBS (Switzerland, +13.7%) focuses on financial management, while Deloitte Consulting (Italy, +40.5%) is apparently a separately listed unit focused on strategic management services operating out of Milan.

Of those reducing their executive head counts, in banking Wells Fargo (CA, -6.8%) shed talent to a very broad list of generally smaller firms, and the same is essentially true for the consultancy KPMG US (NY, -3.9%). WTW (UK, -6.1%), a specialist in insurance, gave up talent to many competitors in the same space. IBM (NY, -5.7%) offered a similar story in the IT sector, investment management specialist BlackRock (NY, -9.7%) saw net departures to Amazon, Citi,

Chart 2B: Management Consulting Firms



INDUSTRY UPDATE: Management Consulting

Barrett Group Clients coming from and going into Management Consulting

Victoria Sydorowicz - Controller

Challenge: After six years of running her own business, Victoria wanted to return to salaried work, but she found the job market surprisingly competitive and wanted to get smarter about her approach.

Landing: Within three months, Victoria found exactly what she wanted in a controller position at a small, management consulting firm that needs her skills to grow the company, and where the prospects for advancement are promising.

"I really value the perspective The Barrett Group gave me about the job market and how to navigate the challenges. I don't think anything could have been better about my experience." [Read More.]

Philip - Director of the Department, Public Safety Standards & Training

Challenge: Philip was asked to assume a critically important government role during the pandemic that was vacant but, as the crisis subsided, he found the position to be an unappealing long-term prospect and wanted help transitioning his career.

"Clarity was absolutely the MOST valuable part for me because I had trapped myself into thinking that I have to be in the C-suite. That I must continue doing what I have been doing. My coach, Lisa Levesque, really helped put things into perspective. The exercises I did made me deeply examine what is important in my life." [Read More.]

Maite - Senior Manager

Challenge: After nine years of advising transportation and logistics companies, Maite wanted practical experience in the industry and, ultimately, a top leadership position.

"As a consultant, I was advising people in those roles, but I want to be one of those people. Instead of advising leaders on the problems and challenges in their industry, I want to own the problems, the team, and the resources, myself, and be responsible for deploying them to drive positive impact in the world. To achieve that goal, I need practical experience in the industry." [Read More.]

Read our clients' Success Studies for many more examples.

INDUSTRY UPDATE: Management Consulting

EY, and others, while Optum (MN, -10.4%) shed talent broadly in the healthcare sector, and Tata Consultancy Services (India, -14.7%) did likewise in the IT System Design Services arena.

Please note that we cannot explore the detailed changes at every firm in this Industry Update, however, clients of The Barrett Group (TBG), do benefit from detailed research support at the broad industry-screening stage and also at the in-depth, pre-interview preparation step. And, clearly, knowledge can be powerful. Here is one example of one TBG client's offer negotiation experience:

> *Normally, I would have accepted whatever was offered me. But [TBG] coached me to always approach salary negotiations with market research in order to make a case for higher compensation. The Barrett Group provided me with that market research, and I was able to get a significant increase. That was very valuable! [Aimee Ellsworth, Read More.]*

Chart 3 lays out the most prevalent specializations offered by Management Consulting professionals. Interestingly, AI does not make the list because only about 10,000 executives list this as a specialization in this industry—although that number has more than doubled in the past year.

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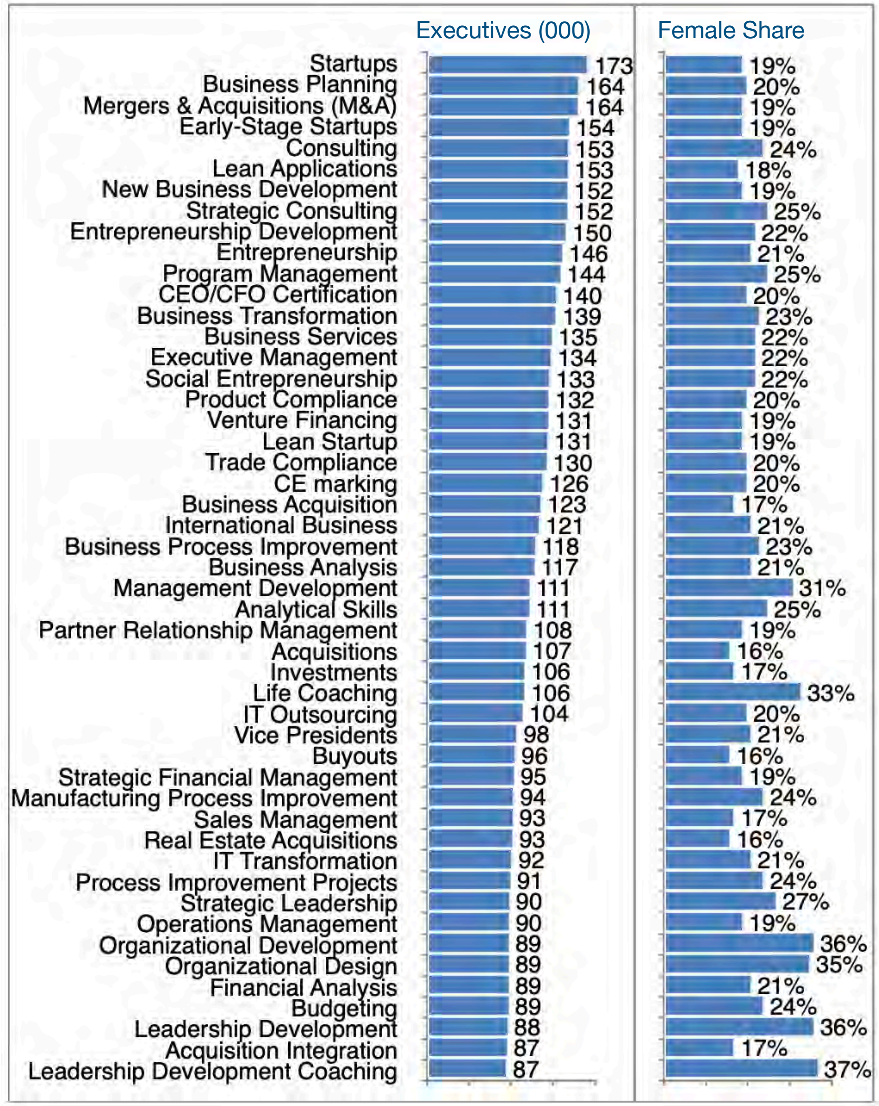
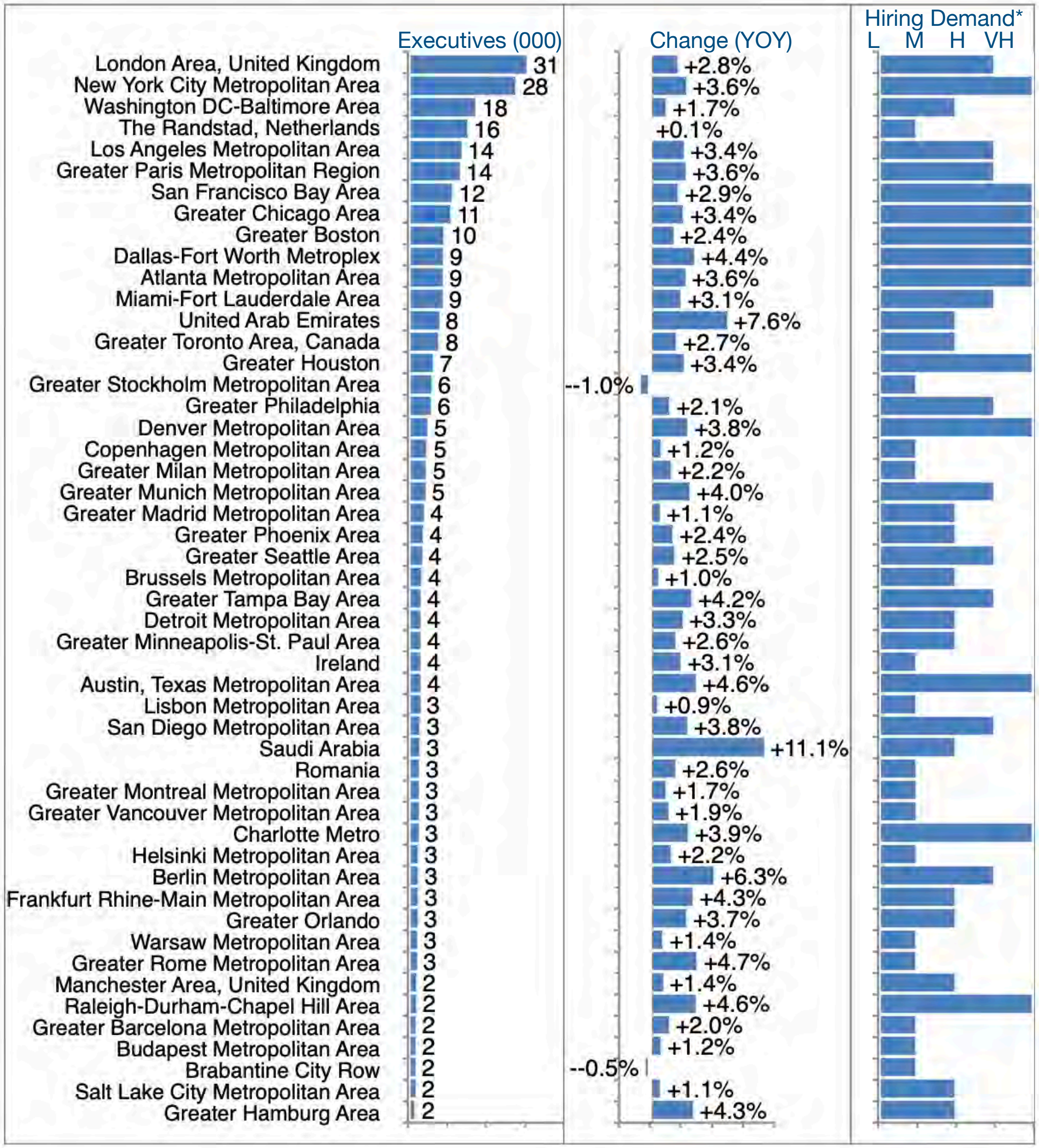
Chart 3: Top Executive Specializations



Female executives are most common in Leadership Development and Coaching (36-37%), Organizational Development (36%), Organizational Design (35%), Life Coaching (33%), and Management Development (31%).

INDUSTRY UPDATE: Management Consulting

Chart 4: Leading Executive Locations



*Relative hiring demand according to LinkedIn: Low, Moderate, High, or Very High

Readers of these Updates will recognize how rare it is that any city other than New York tops the executive location ranking. In Management Consulting, London takes the crown leading us to ask, why is that? What makes London special? Here's one perspective on that question:

> *London's role as a global leader in consulting services has largely happened out of accident and has happened from a three pronged approach; Financial Services, Public Sector and Technology.* [Read more: Why London is the best city to be a Consultant!]

Indeed, Financial Services and the Public Sector are powerful attractions for Management Consultants and probably also explain the ranking of Washington DC, the Randstad (which is actually a conglomeration of four major Dutch cities: Amsterdam, Rotterdam, The Hague, and Utrecht), and indeed, Paris.

Beyond the historical growth (Change YOY) where the UAE (+7.6%), Saudi Arabia (+11.1%), and Berlin (+6.3%) all stand out significantly, LinkedIn also offers a future-oriented metric called hiring demand. This suggests what the current and short-term future demand may look like for executives in this industry in each of the named locations.

From this latter perspective, New York, San Francisco, Chicago, Boston, Dallas-Fort Worth, Atlanta, Houston, Denver, Austin, Charlotte, and Raleigh-Durham-Chapel Hill all share what LinkedIn cites as very high hiring demand in this industry.

If you are interested in finding out more about how TBG's services help executives discover opportunities in their current industries or indeed migrate to new roles and sectors, feel free to visit us at www.careerchange.com to schedule a complimentary, introductory call.

Private Equity & Venture Capital

INDUSTRY UPDATE: Private Equity & Venture Capital

Background

We have all heard the terms venture capital and private equity thousands of times but only a small number of professionals actually know what these terms mean. So, before we dive into the industrial maelstrom, let us spend a few moments clarifying our terms.

In general, venture capital (VC) refers to a subset of private equity (PE), specifically firms or individuals who specialize in investing in early-stage, often start-up enterprises, that are by their very nature risky. The VC company will usually take a direct equity stake in the portfolio company but may also have a relatively hands-off posture in the running of their investments allowing the selected management to sink or swim on their own. While the failure rate of VC investments may be higher than PE investments, the reward when they succeed is also significantly better. VC firms' investments are typically smaller than PE, investing perhaps $10 million or less per transaction, and their investment horizon often runs 5-10 years. [See source.]

Practice and tradition have subdivided the investment steps for VCs into an arcane labyrinth of sub-steps, explained by Silicon Valley Bank as follows: Pre-Seed, Seed, Series A, Series B, Series C & Beyond, Mezzanine, and Exit. [See source.]

PE specialist firms typically invest in or acquire existing companies, optimize their performance, and then seek to exit their investments at a substantial profit. In general, a PE firm will comprise several Limited Partners (LP) who are prepared to invest in a fund. This fund is typically housed in a limited liability company (LLC) that is run by a General Partner (GP). The fund then selects portfolio companies in which to invest, typically $100 million or more per transaction. PE cash flows to the LLC during the Capital Call stage, the GP then invests this money in various portfolio companies during the Investment Period, and, with luck, begins to return profits during the Harvest Period before eventually exiting via a sale, IPO, or other means. PE firms' funds last typically for 7-10 years. [See source.]

In this context, readers may also encounter the term "secondaries" that refers to a PE fund transferring assets to a new vehicle typically managed by the same GP as the previous one. "Secondary funds, commonly referred to as secondaries or continuation transactions, purchase existing interests or assets from primary private equity fund investors. For example, a primary private equity fund may purchase a stake in a private company, and then sell that interest to a secondary buyer. Sellers gain liquidity, while buyers may find the portfolio claim or asset(s) attractive for a number of reasons." [See source.]

Private Equity International (PEI) provides a ranking of the top 300 PE firms that can be quite helpful in understanding what's going on. Apparently, the top firms collectively raised $3.3 trillion, up 6% against prior year, and the top 10 brought in $741 billion, $10 billion better than last year. Geographically, 210 of the top 300 are in North America, 52 in Europe, 35 in Asia Pacific, and only 3 in the Middle East and Latin America together. [See source.]

Introduction

Higher interest rates typically slow activity in the PE market because would-be buyers are less willing to invest due to higher capital costs while sellers are more eager to exit for the same reason as well as higher operating costs due to inflation. This created a mismatch in the PE market over the past few quarters and led among other things to an increase in secondaries: "The first half of 2024 saw record secondary deal volume, with nearly half of those being GP-led secondaries. Part of that story is about General Partners holding onto prized assets, and some of it is about lower liquidity levels available for exits." [See source.]

In other words, there was a general lack of liquidity in the PE market.

Falling rates and easing inflation should allow the market to regain momentum in 2025.

> *Large cap private equity remains awash in dry powder – money already raised that is looking for opportunities. As conditions improve and liquidity returns, our exit multiples into this part of the market should improve due to the imbalance between high demand for deals and low supply.* [See source.]

INDUSTRY UPDATE: Private Equity & Venture Capital

Other market segments, notably the small cap segment, have the opposite issue: many firms but comparatively little capital.

> *…there remains a significant valuation discount for small to mid-sized buyouts when compared to their larger peers, suggesting a difference in perceived value within the market.* [See source.]

On the VC side of the equation, "the overall investment climate in 2024 remains tough, with a 15% decline compared to the previous year." [See source.] Nevertheless, Forbes highlights a number of significant VC trends as we head into 2025:

- *A surge in mega-deals with unicorn companies: […] Back in 2015, there were only about 142 unicorns worldwide. Fast forward to May 2024, and according to CB Insights, that number had skyrocketed to over 1,200.*
- *Strong investment in AI startups: […] The AI sector attracted the highest global venture funding in Q3 2024, securing an impressive $18.9 billion—accounting for 28% of total global investment during that period.*
- *The struggles of zombie venture capital firms: […] In 2023, there were approximately 15,300 unique venture capital investors in the United States, but that number dropped to a little over 11,400 in 2024, indicating a significant decline in active participation in the market.*
- *Generative AI's maturation: […] As generative AI matures, we're witnessing the rise of agent-based applications that leverage these advanced reasoning capabilities, enabling complex problem solving […] Major players such as OpenAI and Google are stabilizing foundational models, paving the way for further advancements in reasoning. For venture capitalists, this trend is crucial as it signals a departure from traditional software models toward service-based approaches where companies focus on delivering outcomes rather than just software licenses.*
- *The democratization of venture assets: […] it's clear that equity crowdfunding is not just a passing trend; it represents a fundamental shift in how startups access capital and engage with a diverse pool of investors.* [See source.]

Frankly, all of these trends imply challenging times ahead for VCs even as liquidity returns to capital markets.

What does all this portend for executive employment? Overall, PE continues to take share in the marketplace. Whereas in 2000, only 4% of companies in the US were owned by PE, in 2021 this share had risen to 20%, a trend that is likely to continue. [See source.] In Europe, this number is allegedly even higher at 31%. [See source.] PE companies typically bring in new management when they take a stake, so an increase in PE activity is likely to create volatility in the executive market—meaning more opportunity for career-changers.

What industries saw the most investment from PE firms in the past quarters? McKinsey highlights the following:

- Insurance (expediting claims processing),
- Micromobility (scooters and e-bikes),
- Infrastructure (following the surge of public investment),
- Retail (retail expansion is underway),
- Private credit (private lending is a growth industry),
- Sustainable infrastructure (renewables in particular), and, of course
- Artificial Intelligence [see source.]

Generalizing across industries, AI is also likely to have a significant impact in the PE arena. McKinsey describes some of these effects and their consequences in an interesting interview, excerpted here:

> *We see four big use case archetypes today.*
>
> - *The first is code generation: there are code and developer productivity tools and copilots to help us write better code, run quality assurance on it, and make sure we're generating enough synthetic data as we create software.*
> - *The second is content generation, such as for marketing materials—including the holy grail of hyperpersonalized communication—and technical manuals.*

- *The third is human engagement, using bots or agents to create a new experience in customer service, sales enablement, or servicing employees in finance and HR functions.*
- *And the fourth is the virtual knowledge worker that can summarize and extract insights from large amounts of information, including unstructured data sources.* [See source.]

The same interview goes on to suggest that only a very small (5%) share of PE companies are already employing AI at scale, so, again, expect revolution.

In summary, PE activity seems likely to increase going forward due to the macro-economic investment climate, even as VC activity may be consolidating into fewer firms. PE will continue to grow its share of the economy by investing in more and more firms, and these changes of ownership will likely bring new management. AI also means further volatility as the value of specific roles changes and new skills are required to manage in the new environment.

All in all, this feels like a potent mix of volatility and opportunity. Let us now look more closely at the men and women juggling these competing demands so skillfully.

The Market for Executives

In the data set behind this Industry Update, we have selected three industrial groupings within LinkedIn: Venture Capital and Private Equity Principals, Capital Markets, and Investment Management. For a more detailed explanation of the included executives, please refer to the Editor's Note.

This group numbers some 383,000 across our target geographies, having grown by 5% in the past twelve months. Including job changers and new positions, the industry saw 35,000 executive opportunities in the same period—only 22% of them female. The US and Canada accounted for 263,000 execs, also up 5%, the EU and UK, 103,000 (+4%), and the Middle East, 18,000 (+6%).

Chart 1: Executives per Major Industry Segment

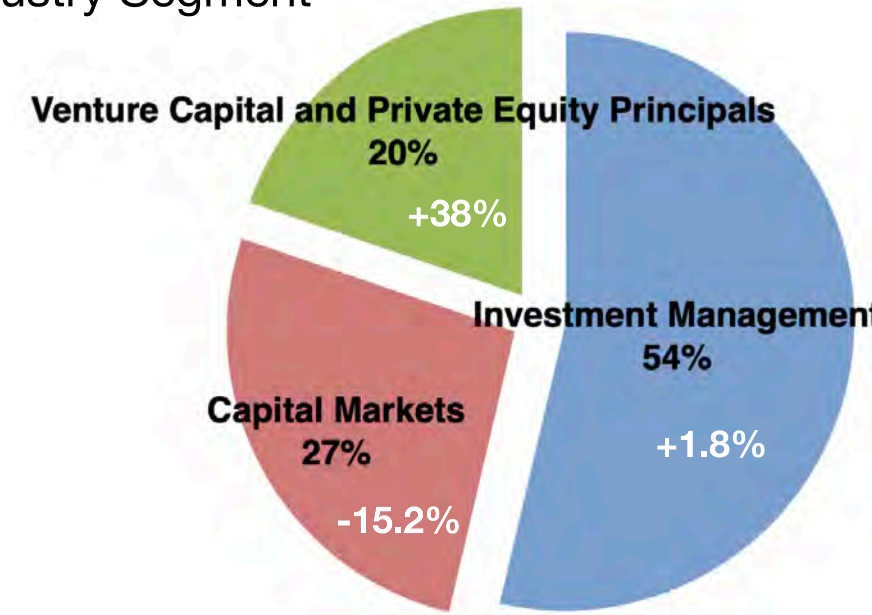
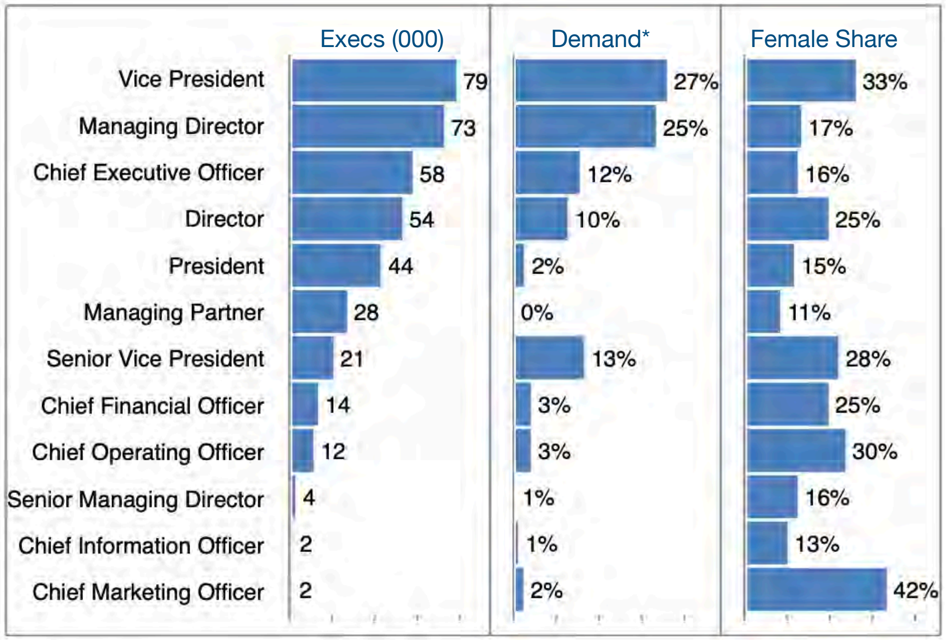


Chart 1 breaks out the sub-industries as executives have reported their principal engagement. The segments have also gyrated significantly in the past year probably in reaction to the cost of money. For example, when capital becomes more expensive, the number of deals typically goes down—hence the negative development in Capital Markets. We might conjecture that the growth in the VC & PE segment anticipates a drop in interest costs and the need for more talent and new skills as investors eye new opportunities on the horizon, including AI, of course.

Intriguingly, the demand in executive employment in this industry seems to have been strongly at the Vice President and Managing Director level (see Chart 2) at least based on the published market. The Barrett Group (TBG) sees this as only the tip of the iceberg, of course, with approximately five times more hiring taking place in the so-called unpublished market—opportunities so new they have not yet been shared with the human resources function. [Read more.]

INDUSTRY UPDATE: Private Equity & Venture Capital

Chart 2: Executive Titles, Demand, and Gender Shares



*Share of help-wanted ads posted on LinkedIn in the last year in this industry.

In fact, LinkedIn cites this whole industry as having a very high hiring demand, though, as is unfortunately the case in many other industries, the genders are anything but balanced. Female executives are most prominent in the Chief Marketing Officer role (42% female) followed by Vice President (33%), and COO (30%), but still underrepresented overall.

> *The underrepresentation of women—especially in positions of power and influence—demonstrates a massive missed opportunity […in Private Equity.]*
>
> *Studies repeatedly demonstrate that companies with greater gender diversity often display stronger financial performances. The Credit Suisse Research Institute has examined how gender diversity impacts corporate performance. It indicates that organizations with greater gender diversity tend to exhibit better EBITDA margins across time and higher capital returns than those with less gender diversity.* [See source.]

Maciej Kossowski took a role as chief commercial officer for a 5-year-old medical tech startup that required him to source funding and investors.

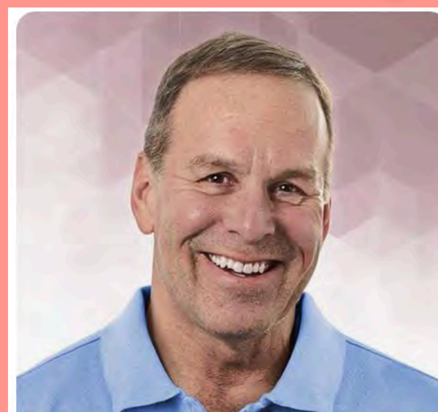
Maciej Kossowski - CCO & CEO
success.careerchange.com

Mike - Head of Finance
success.careerchange.com

Mike landed as CFO of a startup, a new role for him, with the charge of growing the company. Much of his role is interacting with venture capitalists and investors.

Selected clients who landed in Private Equity

Jothy Rosenberg calls himself a "serial entrepreneur" and has founded many companies. The job he landed through The Barrett Group was as an embedded entrepreneur for a government contractor to help them take government innovations and help to commercialize them. His role very much involved working with investors.



Jothy Rosenberg - Founder, Embedded Entrepreneur Initiative Consultant & Author
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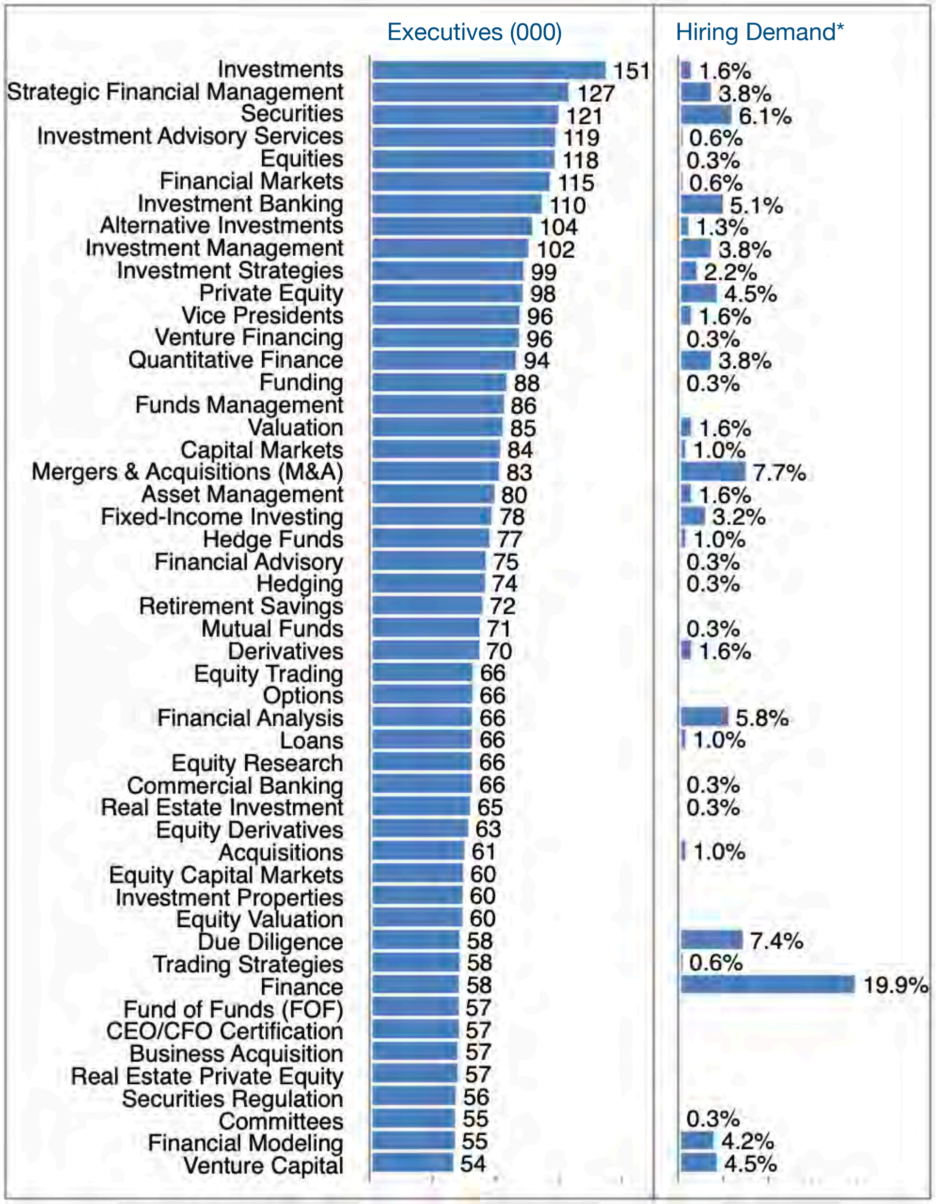
INDUSTRY UPDATE: Private Equity & Venture Capital

Chart 3: Executive Specializations



*Share of help-wanted ads posted on LinkedIn in the last year in this industry.

Most executives enter one or more special skills or areas of focus into their LinkedIn profiles and Chart 3 offers an overview of these specializations for this particular cohort. Arrayed against the number of executives citing each specific focus readers will find the relative hiring demand again based only on the published market per LinkedIn —probably less that one fifth of the actual demand according to The Barrett Group's (TBG's) more than three decades of experience.

Nevertheless, the demand data provides some insight into how much or how little certain skills may be desirable. Finance (19.9%) seems logical as it is applicable to virtually every aspect of PE and VC deal making and portfolio company performance evaluation. As a skill it is also highly transferable from other industries. Mergers & Acquisitions (7.7%) and Due Diligence (7.4%) also lean in the direction of preparing and executing transactions at the corporate level. These specializations should also be highly transferable.

While securities may well be relevant for PE or VC exits via a public market, the Securities specialization here (6.1%) more probably reflects the large share of executives involved in the subsector Investment Management. (See Chart 1.)

TBG helps executives transition in and out of industry verticals every

Editor's Note:

In this 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, President and Director 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 1 billion 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.

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day and many of these specializations are relatively generic. It is only a question of being able to demonstrate relevance and transferability, not to mention excelling in the interviews, negotiating the offers, etc. [Read Do You Have Tremendous Transferability for more information.]

The three graphics arrayed under Chart 4 profile the top employers of executives in three macro-geographic areas. Certainly the number of execs per company varies widely. In the US & Canada grouping, the number of executives ranges from somewhat less than 1,000 up to 14,000. In the EU & UK, the head counts range from 5,000 at the top to about 10% of that at the bottom of the list. And in the Middle East, all but the top contender number less than 100 executives.

TBG clients, of course, have much more granular data at their disposal than one may find in a summary report such as this Industry Update. Still, the relative changes YOY per employer are interesting even at this level of detail. UBS has grown considerably among other reasons due to its acquisition of Credit Suisse in 2023, for example, even in the US and Canada.

JP Morgan Chase acquired talent from most of its major competitors in the last year, especially Citi, Bank of America, and Morgan Stanley with an apparent focus on Software Development and IT Services.

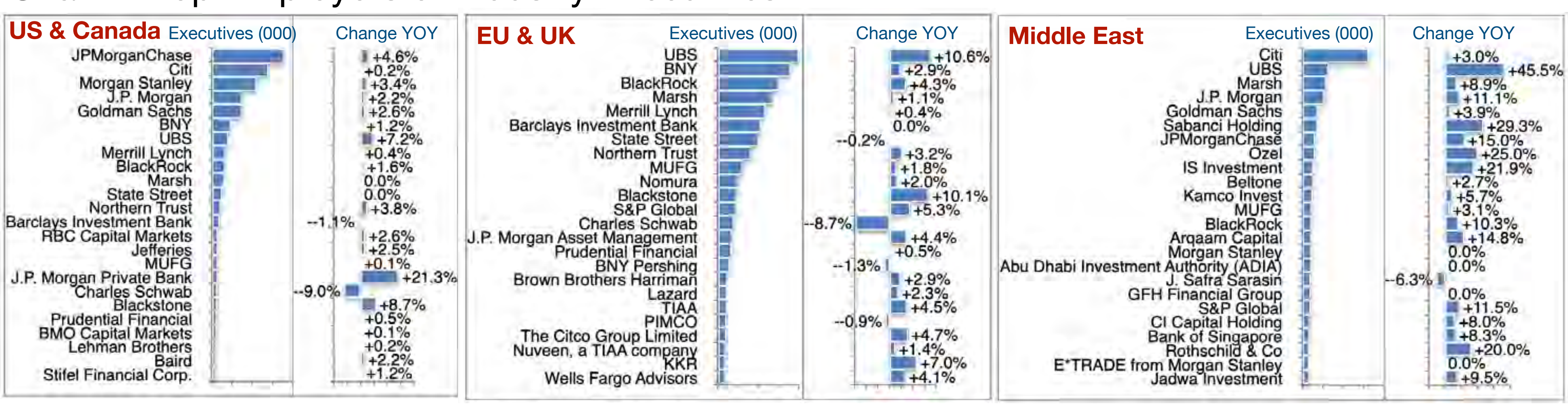
Charles Schwab on the other hand, reduced its executive headcount markedly, partly due to reorganization and due to moving the headquarters from California to Texas. Functionally, the reductions appear to be mainly in Investment Management, but the final batch of employees coming over from its 2019 acquisition of TD Ameritrade in 2024 also bolstered headcount, including a spike in the Securities and Commodities Exchange specialization.

Blackstone also stands out with its +8.7% increase, having acquired talent from Goldman Sachs, PwC, EY, Deloitte, and a range of competitor banks. The firm beefed up its functional bench particularly in Investment Management and Capital Markets.

Marsh stands out in another way, being a specialist firm. In their own words, Marsh "is the world's top insurance broker and risk advisor [and…] a global leader in risk, strategy and people, advising clients in 130 countries…" [see source.] Their executive acquisition strategy seems to be leaning toward the Middle East at the moment, not to mention Asia.

Players in the Middle East might be less well known, such as Sabanci Holding (+29.3%). Here's how they describe themselves: "Sabanci Holding is one of Turkey's leading conglomerates, engaged

Chart 4: Top Employers of Industry Executives



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in a wide variety of business activities through its subsidiaries and affiliates, mainly in the banking, financial services, energy, industrials, building materials and retail sectors." The company has executed a number of acquisitions in 2024 including Bulutistan (cloud services) and Oriani Solar.

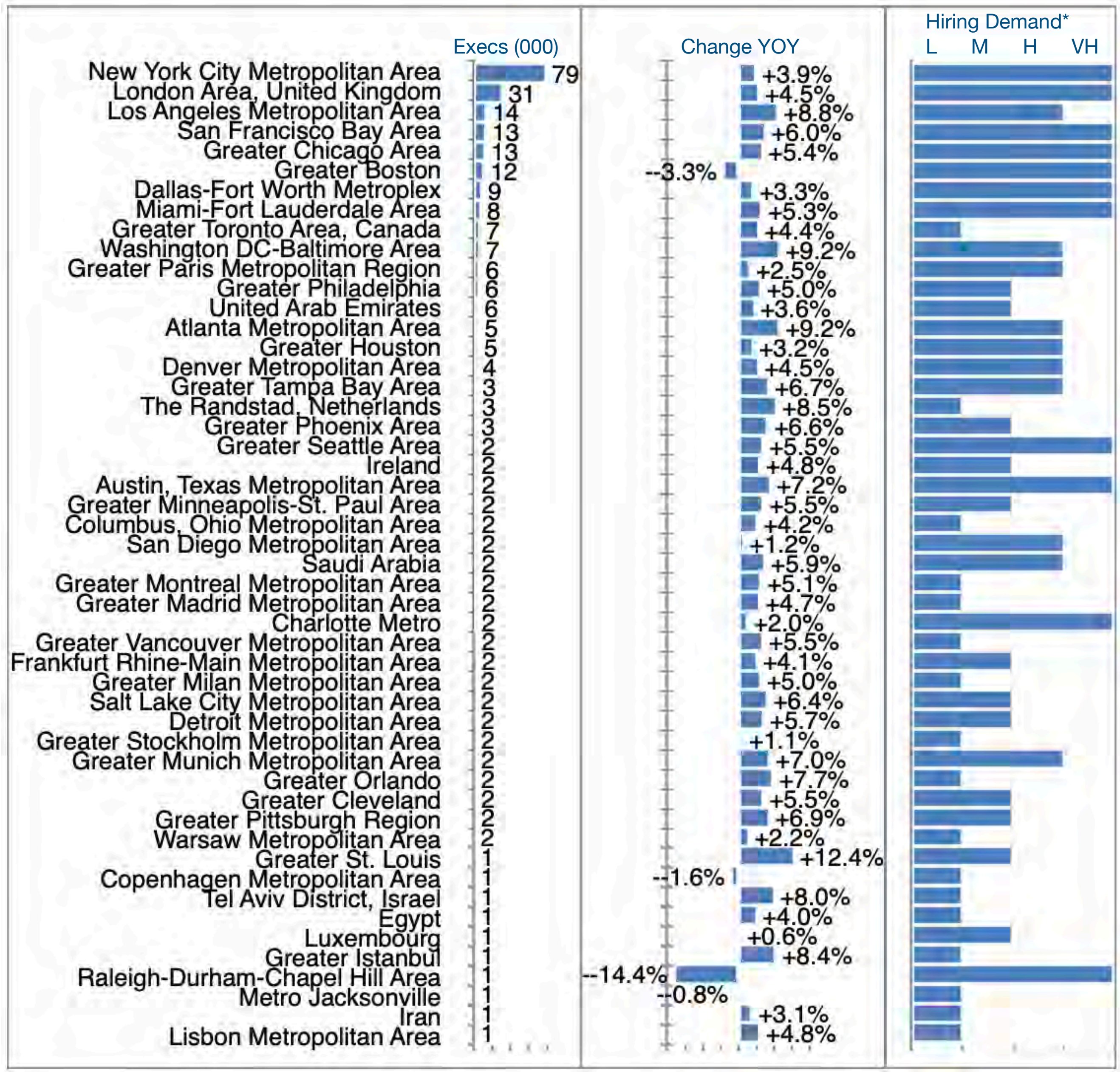
Clearly we cannot cover all of the 35,000 or so executives who changed positions in the last year in this sector, but this is also evidently a vibrant sector with a lot of horizontal and vertical movement.

In Chart 5, New York and London regularly top this ranking, with more than 100,000 industry executives between them. The chart further evidences the broad growth in executive employment in this sector with only a few locations showing a decline: Boston (-3.3%), for example, where several firms have recently announced major changes including Boston Financial and Ages Financial Services. Raleigh-Durham-Chapel Hill (-14.4%) also stands out in this regard, though all of its largest relevant employers (UBS, Morgan Stanley, and Captrust) show above-average growth in employment. Still, the region shows a lot of movement. [Read more.]

Beyond the year-on-year growth, the hiring demand is also an important consideration, indicating probable future growth or constrained talent availability in the area—in either case, a strong signal of employment opportunity.

As mentioned earlier, TBG clients enjoy considerably more granular research support during the course of their career change programs than we can offer in this summary publication.

Chart 5: Employment Location of Industry Executives



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