



# The Future of Executive Search A Level 5 Partners Perspective

## Tier 1 and Boutique Search Firms Coexisting in an AI-Deflationary Market

This report shows how AI is impacting executive search—and how Level 5 and its partner TalentGenius are enabling faster cycles, and sharper cultural fit at a differentiated economic model

WHITE PAPER  
VOLUME I - SERIES II  
OCTOBER 2025

# TABLE OF CONTENTS

Rethinking Executive Search in the Age of AI .....	3
Alignment as the Decisive Factor.....	4
AI-Enabled Advantage.....	5
Where AI Delivers the Greatest Impact.....	6
When Boutiques Excel.....	7
Where Each Model Wins (Comparison Grid).....	8
RFP Checklist: Evaluating Your Next Search Partner.....	9
RFP Checklist: Red Flags To Watch For.....	10
Getting a Fresh Start.....	11



Disclaimer: Level 5 Partners LLC is a Chicago-based executive search and leadership advisory boutique that blends consulting-first strategy with AI-enabled sourcing. The firm specializes in senior leadership and board placements across technology, healthcare, private equity, and other high-growth sectors, emphasizing cultural alignment, behavioral assessments, and measurable business impact. Level 5 Partners delivers modern, data-driven search solutions that rival Tier-1 firms, offering the agility, customization, and cost efficiency of a boutique.



# Rethinking Executive Search in the Age of AI:

This report explores how executive search is being reshaped by artificial intelligence, creating a deflationary cycle in both cost and time-to-hire. We examine the coexistence of Tier 1 firms and specialist boutiques—where each model wins in an AI-enabled market—and outline the critical factors CEOs, CHROs, and boards must weigh when evaluating providers.

The report includes comparative grids, AI impact analysis, and a practical toolkit: RFP questions, scoring criteria, red flags, and benchmarks. We close with a roadmap on when to re-evaluate your current provider and how Level 5 + TalentGenius deliver superior outcomes through data-driven, culturally aligned, and scalable solutions.

Executive search is at an inflection point. Artificial intelligence is compressing both cost and cycle time, fundamentally reshaping how talent is sourced, screened, and assessed. What was once a linear, consultant-driven process is now becoming technology-enabled, data-rich, and significantly faster. This deflationary pressure is forcing organizations to rethink not just who they hire, but how they engage with search partners.

**A new coexistence model is emerging.** Tier 1 firms will continue to dominate Board and complex cross-border mandates, where governance optics and global reach justify premium fees. But the mid-market is shifting and taking a larger share of the market. Specialist boutiques now win on functional depth, cultural alignment, and speed of execution. The result is a bifurcated market—optics-driven work gravitates to Tier 1, while performance- and outcomes-driven mandates flow to boutiques.

“Recent surveys indicate CHROs increasingly expect recruiters to act as strategic advisors rather than purely transactional sourcers (iCIMS, 2024).”

*“Every engagement begins with a Competitive Intelligence & Cultural Fit Report that maps markets, benchmarks peers, and surfaces cultural risks before outreach even begins.”*

Throughout this document, we will highlight the balance between Tier 1 and boutique firms—when to evaluate each option, and where both models win in an AI-enabled market. We will also provide a practical playbook: how to get started, what to ask in an RFP, and the red flags to watch for when assessing your current provider. Ultimately, the goal is clarity—helping boards, CEOs, and CHROs select the appropriate search model for their specific mandate.

At the same time, the expectations of the C-suite have advanced dramatically. Many CEOs increasingly expect search partners to behave as strategic advisors rather than transactional recruiters—yet many still see gaps beyond basic sourcing.

*“Specialist boutiques now win on functional depth, cultural alignment, and speed of execution.”*



# Alignment as the Decisive Factor

## Leadership Alignment

2025 Global CEO Survey: In this report, based on a survey of 4,701 chief executives, 42% of CEOs stated their companies would not be viable in a decade without significant reinvention. (PwC, 2025).

Studies indicate that 50% to 70% of executives fail within the first 18 months due to poor onboarding and lack of role clarity.

Level 5 embeds Hogan and DiSC assessments alongside cultural heat-maps to ensure alignment long before an offer.

## Fresh Pipelines, Not Recycled Names

"Beyond the resume: Finding your best talent" (Early 2025): This article noted that McKinsey expanded its own talent search to "over 120 new-to-us sources" to find "distinctive and diverse talent".

Through TalentGenius, clients access to more than 7.5 M + enriched leadership profiles, verified, and diverse.

## Integration as a Success Imperative

Heidrick & Struggles, found that approximately 40% of senior-level hires either fail, are pushed out, or quit within the first 18 months.

CDO Trends, revealed that 69% of CEOs and boards ranked "tech savviness" as the most critical leadership trait for the next three years,

Level 5 delivers integration roadmaps and coaching to reduce attrition

"Level 5 ensures alignment long before an offer is extended."

## Speed Without Compromise

"Executive searches typically take 4–8 months, prompting many CEOs and CHROs to push for faster, technology-enabled cycles—while maintaining quality."

Level 5 delivers outcomes in 5-8 weeks supported by AI sourcing and robust assessments.



In a related 2023 DDI report, 59% of CEOs cited attracting and retaining top talent as their biggest concern.

## Market Backdrop: AI as a Deflationary Force

AI is reshaping recruiter workflows. Cybersecurity and AI - enabled transformation remain secular growth drivers

Global cybersecurity spend is 213B (2025). Big 5 - \$5.863B | Top 50 Americas \$6.041B



# AI-Enabled Advantage: The TalentGenius Value Proposition

Tier 1 firms remain essential for CEO and Board mandates, where governance optics and global visibility support premium fees. But this model is under strain. While these firms are investing heavily in AI “talent suites,” the costs of building and maintaining proprietary platforms are not being passed back as savings to clients. Instead, fees remain at historic levels—often 30% + of first-year cash compensation for executive roles—despite the efficiency gains technology are delivering.

For example, Korn Ferry reported expanding its Talent Suite platform, yet continued to charge clients unchanged premium fee structures. Similarly, Heidrick & Struggles launched its AI-powered “Heidrick Navigator”, partnered with Eightfold AI (2021), maintaining average fee levels of 28–30%,+ with no evidence of cycle-time compression being reflected in pricing.

By contrast, Level 5’s alliance with TalentGenius flips the model. **Clients gain direct access to more than 7.5 million continuously enriched leadership profiles, compressing time-to-slate by weeks while lowering fee structures by 15–25%.**

More importantly, this AI-driven approach eliminates the recycling of stale candidate pools and integrates assessments, cultural heat maps, and onboarding roadmaps that reduce the hidden costs of mis-hire, cultural friction, and early attrition.

“Level 5 Partners flips this model—Clients gain access to more than 7.5 million enriched profiles”

In short, TalentGenius transforms executive search from a high-cost, transactional process into a scalable, data-driven engine that delivers measurable leadership outcomes—at a fraction of the cost of Tier 1 solutions. At the same time,

Level 5 is pioneering advanced solutions for corporate recruitment, reshaping it into an IT-driven, project-based Recruitment-as-a-Service (RaaS) model, positions recruitment not as a transactional HR activity, but as a strategic enterprise function—governed by data, aligned to business outcomes, and jointly stewarded by the Chief People Officer and Chief Technology Officer.

RaaS will be further explored in upcoming Level 5 white papers.



# Where AI Delivers The Greatest Impact in Executive Search

## Sourcing & Market Mapping (5/5)

The greatest near-term value of AI lies in sourcing. AI platforms now scan millions of profiles across open and proprietary datasets, instantly surfacing talent pools that would have taken weeks of manual research. For clients, this means breadth, speed, and accuracy in identifying markets and competitors, dramatically compressing early-cycle search costs.

5/5

## Screening & Prioritization (5/5)

AI-driven screening has redefined productivity. By ranking candidates against role specifications, cultural indicators, and track records, AI enables consultants to transition from a long list to a qualified short list with unprecedented speed. What once consumed months of analyst time is now resolved in days, with higher precision.

5/5

## Internal Mobility & Talent Pools (5/5)

AI is transforming the ability to redeploy known talent. By rediscovering internal and prior candidates, firms can fill as many as 70% of roles from existing pools. For clients, this delivers not just speed but cost efficiency, ensuring hidden talent is surfaced before external searches are launched.- **VERY EFFECTIVE FOR PE FIRMS**

5/5

## Assessment & Skills Matching (4/5)

AI-enabled assessments move beyond résumés to skills, capabilities, and cultural markers. When paired with psychometrics and structured interviews, this creates a multi-dimensional view of leadership potential. The technology is still augmentative—not decisive—but its integration accelerates the calibration of candidate–role fit.

4/5

## Succession & Talent Intelligence (4/5)

Beyond single mandates, AI offers strategic intelligence. By mapping leadership pipelines and benchmarking peers, AI equips boards and CHROs with forward-looking insight into succession readiness. The impact is still uneven across organizations, but the potential to elevate talent strategy beyond recruitment is significant.

4/5

## Onboarding & Integration Analytics (3/5)

This is the newest frontier. Early platforms track integration milestones and provide analytics to mitigate first- and 18-month failure rates. While evidence is emerging, AI-enabled onboarding is not yet as mature as sourcing or screening—but it signals how technology will extend the search firm's role beyond placement.

3/5

## Candidate Outreach & Engagement (3/5)

Generative AI augments the human touch by automating outreach at scale—personalized, timely, and consistent. While relationship-building remains a human domain, AI ensures that every relevant candidate is engaged early and effectively, raising conversion rates and expanding the funnel. Ideal for volume hiring or an entry-level position.

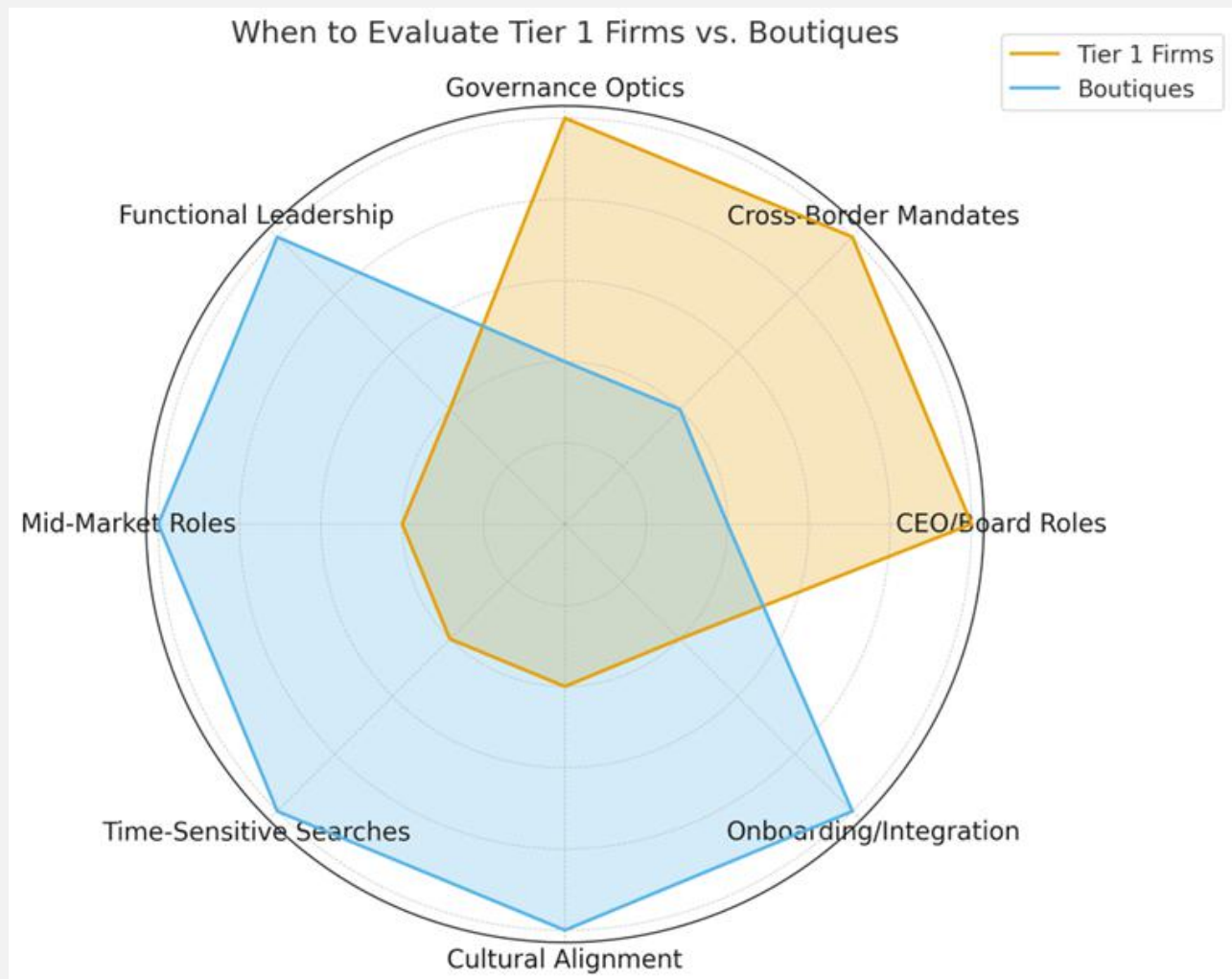
3/5





# Where Boutiques Excel

- Boutiques typically deliver 15–25% lower fee structures than Tier 1 firms.
- Faster time-to-slate (2–3 months faster on average) reduces opportunity cost.
- For a \$500K CxO, boutiques can save ~\$35K in direct fees, plus \$100K–\$500K in avoided lost revenue from faster placement.
- Tier 1's fee premium is only justified when governance optics at the CEO/Board level outweigh cost and speed.
- For interim and fractional roles, boutiques provide better ROI given speed and flexibility.



# Where Each Model Wins In An AI Enabled World

DIMENSION	TIER 1 FIRMS – ENDURING ADVANTAGE	BOUTIQUE FIRMS – STRUCTURAL ADVANTAGE	LEVEL 5 + TALENTGENIUS – DISTINCTIVE EDGE
CEO/Board & Optics	Governance assurance, shareholder optics, regulator, and press credibility	Not primary focus; limited brand optics	Position selectively on Board mandates where cultural risk intelligence differentiates
Geographic Reach	Global infrastructure, multi-country mandates	Agile but narrower global bandwidth	Augmented reach through AI-enabled mapping + partner alliances
Functional Depth	Broad coverage, generalist partner model	Deep specialization (CIO, CTO, CDAO, CRO, CISO, sector expertise)	AI-expanded pipelines, enriched with market intelligence dossiers
Speed to Slate	Longer cycles; average 120+ days end-to-end	Faster, partner-led execution	Weeks not months with Talentgenius sourcing & prioritization
Integration & Retention	Limited; focus ends at placement	Integrated assessments & onboarding	Hogan, DiSC, cultural heat-maps + structured onboarding roadmaps
Interim & Fractional	Emerging but not core	Core offering; interim-to-perm models	Fractional/interim bench plus seamless conversion
Economics	Retained ~30–35% of first-year comp; no AI-driven savings passed through (Cowen Partners, 2024)	Typically 15–25% lower fees	Lower total economics + faster ROI through AI and advisory integration





# RFP CHECKLIST:

## Evaluating Your Next Search Partner

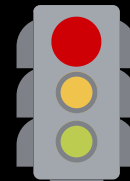
Executive search is evolving in a deflationary era. For CEOs, CHROs, and private equity sponsors, the priority is no longer which firm has the biggest brand—it is which partner delivers measurable value: faster time-to-slate, cultural fit, and retention outcomes. The right process begins with disciplined evaluation.

DIMENSION	
Pipeline & Speed	<ul style="list-style-type: none"><li>·What % of the proposed slate is net-new to your CRM in the last 12 months?</li><li>·What is your median time-to-slate and time-to-offer for comparable roles?</li></ul>
Assessment & Cultural Alignment	<ul style="list-style-type: none"><li>·Which tools (Hogan, DiSC, psychometrics) are used, and how are results validated?</li><li>·How do you calibrate cultural fit before presenting finalists?</li></ul>
Cross-Border & Compliance	<ul style="list-style-type: none"><li>·How do you handle legal/regulatory nuances in multi-country mandates?</li><li>·What data residency and candidate privacy protocols are in place?</li></ul>
Diversity & Market Coverage	<ul style="list-style-type: none"><li>·What is your diversity strategy, and how do you widen talent pools without inflating cycle times?</li></ul>
Onboarding & Retention	<ul style="list-style-type: none"><li>·What structured integration plan do you provide at 90, 180, and 365 days?</li><li>·How do you measure retention and leadership ramp time?</li></ul>
Economics & Transparency	<ul style="list-style-type: none"><li>·What is your fee model (retained, hybrid, success-weighted)?</li><li>·What service credits or guarantees are tied to missed milestones?</li><li>·How transparent is your reporting (live market maps, candidate disposition tracking, reuse rights)?</li><li>·Candidate-sourced lists on successful completion</li><li>·Partner involvement</li></ul>



# RFP CHECKLIST:

## Red Flags to Watch For



Executive search is evolving in a deflationary era. For CEOs, CHROs, and private equity sponsors, the priority is no longer which firm has the biggest brand—it is which partner delivers measurable value: faster time-to-slate, cultural fit, and retention outcomes. The right process begins with disciplined evaluation.

- Recycled “same-list” candidates with little pipeline freshness.
- No documented cycle-time metrics or benchmarking.
- No structured onboarding or integration support despite high early-tenure failure risk (Harvard Business Review: 40–60% fail within 18 months).

DIMENSION	
Pipeline Staleness	·If more than 50% of shortlists are recycled from the firm’s CRM, not net-new, you are paying for yesterday’s Rolodex rather than tomorrow’s market map.
Slow Time-to-Slate	·Industry benchmarks show executive roles average 120+ days to fill. If your provider routinely misses these benchmarks without cycle-time transparency, the opportunity cost to the enterprise is too high.
No Post-Hire Support	·With ~40–60% of leaders underperforming or failing within 18 months (Harvard Business Review), providers that “end at offer” leave you exposed. Integration, onboarding, and retention metrics must be in scope.
Governance Without Value	·Tier 1 fees (30–35% of first-year comp) were once justified by brand optics. But if your mandate is not optics-critical (CEO/Board, multi-country), those economics are increasingly indefensible.
Lack of AI Enablement	·If your provider has invested in AI “talent suites” but has not passed cost savings or cycle-time gains to you, you are underwriting their platform, not gaining competitive advantage.
Misalignment with Strategy	·If your provider cannot credibly map succession pipelines, assess cultural alignment, or flex into interim/fractional pathways, they are a recruiter—not a strategic advisor.



# Closing Perspective

In an era where leadership transitions often define organizational momentum, a disciplined, data-informed approach is essential. Relying on intuition alone exposes organizations to cultural misalignment, delayed impact, and early-stage attrition.

By embedding behavioral assessment, structured integration, and cultural alignment into every executive search, organizations build leadership pipelines that are resilient, measurable, and aligned to long-term strategic goals.

Level 5 Partners' integrated advisory model ensures that each placement becomes more than a successful hire—it becomes a sustained leadership outcome: culturally attuned, high-performing, and equipped to deliver enterprise-wide value.

## Contact

Level 5 Partners  
Chicago, Illinois  
[Info@level5partners.net](mailto:Info@level5partners.net)  
[www.level5partners.net](http://www.level5partners.net)

### Sources / References

McKinsey — The State of AI in 2024; The State of AI in 2025.  
LinkedIn — Future of Recruiting 2024 (AI's impact on recruiter workflows).  
Gartner (via National CIO Review) — Global cybersecurity spending forecasts (2025–2026).  
Hunt Scanlon — Big 5 Global Recruiting Firms (record ~\$6.863B fees, 2025).  
Hunt Scanlon — Top 50 U.S./Americas firms (~\$6.041B fees, 2024).  
Spencer Stuart — U.S. Board Index 2024 (board recruitment trends).- 2024 "Measure of Leadership" survey  
Heidrick & Struggles — Investor releases on On-Demand Talent business growth (2024+).  
Egon Zehnder - 25-40% of failed placements stem from underperforming cultural /political integration. (Egon Zehnder) - Michael Watkins  
PWC - 2025 Global CEO Survey: In this report, based on a survey of 4,701 chief executives, 42% of CEOs stated their companies would not be viable in a decade without significant reinvention.  
Chronus - May 20, 2025- Studies indicate that 50% to 70% of executives fail within the first 18 months due to poor onboarding and lack of role clarity.