Korn Ferry
Fourth Quarter Fiscal Year 2025 Earnings Release
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Presenters
Gary Burnison - CEO
Robert Rozek - Executive VP, CFO, and Chief Corporate Officer

Q&A Participants
Trevor Romeo - William Blair
George Tong - Goldman Sachs Group
Mark Marcon - Baird
Tobey Sommer - Truist Securities, Inc.
Josh Chan - UBS

Operator
Ladies and gentlemen, thank you for standing by, and welcome to the Korn Ferry fourth quarter fiscal year 2025 conference call. At this time, all participants are in a listen only mode. Following the prepared remarks, we will conduct a question-and-answer session. As a reminder, this conference call is being recorded for replay purposes. We have also made available in the Investor Relations section of our website at kornferry.com a copy of the financial presentation that we will be reviewing with you today. Before I turn the call over to your host, Mr. Gary Burnison, let me first read a cautionary statement to investors.

Certain statements made in today's call such as those relating to future performance, plans and goals, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although the company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, investors are cautioned not to place undue reliance on such statements. Actual results in future periods may differ materially from those currently expected or desired because of a number of risks and uncertainties, which are beyond the company's control. Additional information concerning such risks and uncertainties can be found in the release relating to the presentation and in the periodic and other reports filed by the company with the SEC, including the company's soon-to-be-filed annual report for fiscal year 2025.

Also, some of the comments today may reference non-GAAP financial measures such as constant currency amounts, EBITDA, and adjusted EBITDA. Additional information concerning these measures, including reconciliations to the most direct comparable GAAP financial measures, is contained in the financial presentation and earnings release relating to this call, all of which are posted in the Investor Relations section of the company's website at www.kornferry.com. With that, I'll turn the call over to Mr. Burnison. Please go ahead, Mr. Burnison.

Gary Burnison

Okay. Thank you, everybody, for joining us, and I'm going to have the team get into the more details. But overall, our execution has been outstanding. We continue to deliver on all of our financial and strategic objectives. And when I look forward, I mean, there's nothing but opportunity. Our strategy is working. The breadth of our solutions provides more durable and synergistic revenue offering really a growth foundation for tomorrow. And for us, it all starts with clients, and I just think of it in the quarter, a number of transformative engagements where it's -- from leading industrial companies to a global semiconductor company where we're helping drive a more nimble organizational structure to financial services and in particular in the insurance company, where we're really creating a data-rich foundation to help build their future talent pipeline, including developing like 2,500 leaders per year. I mean, it's working.

The strategy is definitely working. And it demonstrates that the ongoing investments that we're making to extend our offerings and our solutions and expand our impact, our powering performance for our clients, and that's what it's all about. I mean, the success in our business was evident during the quarter again. Fee revenue was up 4%. New business was up 3%, both of those in constant currency. Fundamentally, this business has changed over the last several quarters and years. And our evolution towards synergistic fee revenue sources driven really by large-scale client engagement has changed the fundamental composition and the scale of our business. We've got 10- and 20-year CAGR growth rates of more than 10%, 77% of our clients by two or more of our solutions, more than half by three. We've got large repeatable clients of scale. The Marquee and Diamond accounts for us represent almost 40% of our fee revenue. We've raised our dividend six times in five years. We've got a balanced approach to capital. 26% of our top line is driven through inside sales, inside referrals. This thing's working.

And as I look forward to this year ahead, we're going to continue to innovate. We're going to put a strong focus on technology, AI, and more importantly, offerings that drive organizational performance for our clients. Our enterprise talent, data analytics, and insights are helping clients understand whether they have the right talent in the right roles that align with their strategic priorities. In the quarter, we completed the fourth product release of talent suite in the last year or so. And with each release, our organizational and talent products enable us to be more deeply embedded with our clients as we bundle our services and IP, and that IP is immense. Billions of data points, 108 million assessments are taken, rewards data on 28 million people, 31,000 companies, engagement data on 38 million people, culture and benchmark, that's on 7 million respondents, over 500 organizations. I mean, I could go on and on and on. This IP is immense.

And our intention is to license that to create knowledge transfer to change a lot of lives and the destination of our clients. And so, as I -- as we close out another fiscal year, it's gratifying to see our success in arguably a very difficult economic environment and a testament to the evolution of our firm. And it's all made possible through our talented colleagues. We are truly a global consulting firm that powers performance. And that's why the world's most forward-thinking companies across every major industry turn to us for a shared commitment to lasting impact and the bold ambition to be more than. With that, Bob, I'll turn it over to you.

Robert Rozek
Great. Thanks, Gary, and good morning, good afternoon, everyone. Listen, it was a great fourth quarter, one that exceeded expectations, especially in light of the current operating environment. But before I begin my remarks, I would be remiss if I didn't thank all of my Korn Ferry colleagues whose determination and dedication made these results and our full year results possible. Our fourth quarter performance is yet another data point validating how our strategy is producing industry-leading results. As the universal demand for great talent continues to grow, we're uniquely positioned to fulfill our clients' talent needs with scope and scale across all industries and geographies.

Now, in addition to the detailed results and data points found in our earnings presentation posted on our website, here are a few company-wide and solution specific highlights for the quarter. Our Marquee and Diamond accounts remained strong at 39% of our consolidated fee revenue in the fourth quarter. Our cross-solution referrals also remained strong. We exited the year at 26% of our consolidated fee revenue being referred amongst our solution areas. We continue to invest in commercial capacity by increasing our senior client partner population by approximately 25 net new hires. Executive search grew for the fourth consecutive quarter, was up 15% year-over-year at constant currency. Digital subscription and license new business in the fourth quarter grew to 40% of the total digital new business, and that's up from 37% in the prior year quarter, continuing to add more stability and predictability to our fee revenue base. RPO continued to build for future growth with $119 million of new business awards. 77% of that amount are attributed to new logos, and our average hourly bill rates in consulting and the interim portion of PSI remains strong at $454 an hour and $131 an hour respectively.

Turning to overall company results for the fourth quarter. Consolidated fee revenue was $712 million, growing 4% year-over-year at constant currency. Earnings and profitability also continued to grow on a year-over-year basis. Adjusted EBITDA grew 8% to $121 million. Adjusted EBITDA margin grew 70 basis points to 17%, and our adjusted diluted earnings per share grew 5% to $1.32. As Gary mentioned, at constant currency, total company new business grew 3% year-over-year including RPO and grew 5% year-over- year excluding RPO. You'll note in our earnings presentation posted to our website, we have disclosed a new operating metric, estimated remaining fees under existing contracts. And that's an additional proof point demonstrating the effectiveness of our diversification strategy. This operating metric represents the estimated amount of remaining fees associated with existing contracts for services and solutions yet to be delivered to our clients.

At the end of the fourth quarter, this totaled approximately $1.7 billion and was up 12% year-over-year. Of this amount, we estimate that approximately 57% or $977 million will be recognized as fees within the next year with the remaining 43% or $734 million estimated to be recognized beyond the next four quarters. Now, certain of our solutions such as executive and professional search firm placement have shorter duration contracts, which result in fee revenue being recognized in the next quarter or so. However, a much larger portion of our estimated remaining fees under existing contracts is from our other solution areas, which have longer duration contracts, which give us more durable and resilient future fee revenue streams. We have also introduced fee revenue by geography: the Americas, EMEA, and APAC. We are an organization that puts clients first, and we engage with our clients holistically as Korn Ferry. And we look to our regional and local colleagues at the point of integration and execution.

Now, looking at the three regions, fee revenue in the Americas was essentially flat year-over-year at constant currency. We saw growth in exec search and RPO. EMEA fee revenue grew 9% year-over-year, and constant currency saw growth in exec search and pro search in the interim there. And APAC fee revenue grew 8% year-over-year at constant currency primarily driven by growth in exec search and RPO. And finally, our capital allocation continues to remain balanced. For all of fiscal '25, we returned $173 million to shareholders through combined share repurchases and dividends. We invested $44 million in M&A and invested $62 million in capital expenditures focused on talent suite, our technology platforms, productivity tools, and related product enhancements.

Now turning to our outlook for the first quarter of fiscal '26. Assuming no further changes in worldwide geopolitical conditions, economic conditions, financial markets, foreign exchange rates, we expect fee revenue in the first quarter of fiscal '26 to range from $675 million to $695 million, our adjusted EBITDA margin to range from approximately 16.8% to 17.2%, and our consolidated adjusted diluted earnings per share to range from $1.18 and to $1.26. Finally, we expect our GAAP diluted earnings per share in the first quarter to range from $1.16 to $1.24.

Now, our accomplishments in fiscal '25 underscore our ongoing commitment to remain focused on controlling what we can, leaning into growth opportunities where we see them, and driving operational excellence. Additionally, as our firm continues to evolve, we will remain relentlessly focused on client service. Korn Ferry is a global consulting firm that powers client performance. We are well positioned for the next step in our evolution, and I am more confident and excited than I have ever been about what this company can become. With that, we would be glad to answer any questions you may have.

Operator
Thank you. If you have a question, please press star one on your telephone keypad. If you wish to remove yourself from the queue, simply press star one again. One moment for your first question. Your first question comes from the line of Trevor Romeo of William Blair. Your line is open.

Trevor Romeo
Hey, everyone. Thanks so much for taking the questions and great performance despite the tough environment. But I guess I just wanted to dial in a bit on any color you might have on new business trends and I guess revenue trends by month over the last several months, especially

with the tariff announcements in April and everything that's kind of transpired since then, business confidence still being a bit lower. Just any indications of how trends and your conversations have changed the past few months would be really helpful, especially if you've seen any areas of incremental weakness since then.

Gary Burnison
I mean, there's always uncertainty. That's the only thing that's certain, and the conversations ebb and flow. And you have something that happens with Israel and Iran, and you have a different conversation. And it seems like it's happening more and more these days. In terms of new business, I mean, May was actually stronger than April. April was about the same as March, and February was pretty good. So, the conversations change, but essentially, when I look at the firm as a whole, it's pretty impressive particularly in this market, which I would consider a recession for the last seven quarters.

Trevor Romeo
Yeah. That makes sense, Gary. Thank you. And then I guess I just wanted to maybe dig in on executive search a little bit. I think you talked a lot about the peak 65 demographics. I think a lot of the executive surveys we see are showing high levels of turnover. But in this quarter, I think the 15% growth was quite a bit stronger than we had been seeing. So, was there anything specific that changed this quarter for the search business? Is some of it share gain or something like that? And what would you kind of expect in terms of the next few quarters for that?

Gary Burnison
I don't think you can look at it necessarily quarter-to-quarter. There's going to be ebbs and flows. I think when you look at it over the long term, the firm has delivered 10%, 11% growth year in, year out as one business, and that's been pretty remarkable. And I think that speaks to the solutions and the offerings that we have. Clearly, when you look quarter-to-quarter, you'll find it at some point, consulting is up, search is down, digital is flat, RPO is up. The point here is to have a well-rounded set of solutions that drive organizational performance, that drive human performance, and I think Korn Ferry is just starting out. So, yes, if you look at any particular moment, there's different things that you would point out. Clearly, we're in an environment now where there are demographic factors at play big time, and there's also demand for a different type of leader today from say five years ago. So, all of those things are at play. But what I look at is the overall firm performance and our profitability and the growth that we're able to achieve for shareholders and our colleagues.

Trevor Romeo
Okay. Great. So, nothing particular for this quarter in executive search. I'll jump back in the queue. Just wanted to quickly mention thanks for all the new disclosures. I think that will give investors a better view into your visibility. So, thanks, everyone.

Gary Burnison
Good.

Operator
Your next question comes from the line of George Tong of Goldman Sachs. Your line is open.

George Tong
Thanks. Good morning. Could you provide an update on what you're seeing with sales cycles and also how client spending behaviors may be different across segments. So, across the various segments, where are you seeing any changes or macro sensitivity or any type of purchasing pattern differences? Any update there would be helpful.

Gary Burnison
Well, I think, number one, there's a cost-of-living crisis. And I've said this for a long time, and it's very clear in America, there's a cost-of-living crisis. And that is a serious issue, and it is beyond -- companies for many months were able to raise prices, shrink packaging. Volume went down. That hasn't been the case for seven quarters. And so, companies are across the board -- growth is elusive, and so they're having to cut cost. And it's now been happening for seven quarters, pretty consistently for example, in the United States. And so, I look at that environment, and given everything that's going on, it's still going to be a challenging environment going forward. So, for me, that's the biggest issue. And then secondly is the leadership team -- the people that got you here may not get you there. And this is -- we're on the precipice of just incredible change, and growth is elusive. And so, that has big, big ramifications on a workforce in terms of what that means in the future.

George Tong
Got it. Okay. That's helpful. And then could you talk about how new business -- quarterly new business performed in the consulting segment and then overall for digital? I know you provided a total subscription and license new business, but total new business for digital and total new business for consulting, what the year-over-year change was?

Gary Burnison
Yeah. I tend to look at the firm in total, and that was up like 5%. I will say that broadly speaking, what's happening is in the consulting area, as you know, the engagements are getting bigger. So, I think that now about 25% of our new business is engagements that are seven figures and above. So, those are having a much longer time to implement. I mean, these could be three-, four-, five-year leadership development journeys that take time to really work their way through. I mean, I think of one that is tens of millions of dollars that we originated two and a half, three years ago, and the truth is we're only kind of 25% through all the cohorts. I mean, it definitely takes time. So, there's a couple factors at play. I think one is the firm is going to continue to move towards powering clients' performance, which on the consulting side would be more transformative engagements that will probably take longer to implement. So, that's number one.

And number two is companies are slashing costs. I mean, you see it everywhere. And so, that is definitely impacting some of our solutions. And when it comes to digital, I'm very, very proud of this fourth release of the talent suite. I think that's going to be something that -- as we look back five years from now, that's going to be an absolute game changer. Hopefully, by the end of this calendar year, it will be seamlessly integrated to at least one major CRM provider. And when you look at the digital, it's been very, very consistent in terms of new business, which -- it's not like it's gone up 15%, but it's not like it's gone down 10%. I mean, it's been very, very consistent and what I would argue has been a recessionary environment for seven quarters.

Robert Rozek
Gary, I can just add a little bit of specificity there. So, George, the digital business year-over-year was up 4% constant currency, and consulting is flat. And so, that just -- as we talked about the -- in the consulting world, the impact of the larger engagements and consumption impacting revenue, but the demand for our services and solutions remains strong.

George Tong
Makes sense. Thanks very much.

Operator
Your next question comes from the line of Mark Marcon of Baird. Your line is open.

Mark Marcon
Hey. Good morning or good afternoon depending on where you are. Congrats on the strong results. Gary, I just wanted to pick up on a few of the things that you were mentioning before. One, specifically with regards to the fourth release of the talent suite, can you talk a little bit about from a user perspective, what are the big differences that a user will end up seeing? And what gives you the confidence that we could end up seeing a fairly decent uplift there with this fourth release?

Gary Burnison
I mean, the confidence is that people still make businesses successful. And when you -- I think the big difference, hopefully, that customers will see over the next several months is seamlessness and the ability to toggle between learning and development, between setting competitive pay packages to identifying role -- the right kinds of success profiles for certain roles. So, I would hope that it's across the spectrum of hiring, developing, rewarding, motivating. Across those dimensions of a workforce, I would hope that there is increasing seamlessness from a user experience. And that hasn't been the case in the past where people would have just bought say a pay package. So, I think that is going to be -- I think it's going to be unique in the marketplace. The depth that we have is really second to none. And yes, I do have a lot of confidence in it.

Mark Marcon

That's great. And then, Bob, just to clarify something. When you mentioned digital was up 4% and consulting was flat, was that in terms of new business for the last quarter?

Robert Rozek
Yeah, it was new business in Q4.

Mark Marcon
Right. And so -- and the timing of the release -- I mean, would you expect that digital would start seeing a pickup in the second half of this fiscal year? And specifically, you mentioned potentially we could end up getting attached to some bigger packages. Could you talk a little bit more about that?

Gary Burnison
Well, timing is -- I mean, that's very, very hard to predict. And, look, it's -- a certain part of this is dependent on the macro environment that we're in. But would I expect to see something at the end of this calendar year? Probably not. Would I expect to see some in the next calendar year? Absolutely.

Mark Marcon
Okay. Great. And then, Gary, you mentioned a different type of leader. Could you expand on that? You have lots of conversations with thought leadership -- thought leaders across the board. What are boards looking for now in terms of different types of leaders?

Gary Burnison
Well, I think the ability -- number one, there's the kind of age-old things of strategy and vision and financial acumen and courage and confidence. All of our research would point to that. But we also would be a very, very strong component given the change -- I mean, really profound changes at our doorstep that -- I think the single biggest change is for a CEO to embrace ambiguity. And there's a difference between embracing ambiguity and thriving in ambiguity that [Technical Difficulty] ambiguity. And I think we're entering a period of time -- you know, I laugh at some of these articles that have been written over the last few days about how AI is going to replace jobs. That's not the point. The point is there won't be enough workers to work in those jobs.

So, the fact is this incredible imbalance -- the low birth rates over the last 20 years are going to create a situation where there is a big imbalance of supply and demand of labor. That gets filled through technology across the board, either immigration or technology. And so, I think as we think about this and we are assessing clients' ability -- their leadership capacity to deal with say AI -- I mean, the thing that's coming screaming off the page is the ability to embrace ambiguity. And you see it now almost day-to-day, week-to-week. It is -- I'm sure every generation has said it. But what we're seeing today, it's incredible. And so, that is -- I think that is the huge, huge difference about somebody that's going to lead an organization for the next five years than maybe somebody who did it 10 years ago.

Mark Marcon
Great. And then can you talk a little bit about -- on the executive search side, you saw some really good growth in the international markets. And along with that, you ended up seeing a pretty big pickup in terms of consultant productivity. I mean, you're up to an average of $1.6 million per, which is terrific. What are you seeing in terms of the top end of that? And what's been driving that increase in terms of productivity? And what's been driving the international growth to a greater extent?

Gary Burnison
Well, I would say, Mark -- so the North American growth has been very good, too. So, across the board, across the globe, that solution has done very, very well. And so, part of it is us, and part of it is the market. I do think we have this demonstrated track record with a real strategy with real solutions that drive a company's performance. But clearly, there's other factors at play. And some of those factors are demographics, some of those factors are burn out, some of those factors are a different leadership team that's needed over the next 5 or 10 years than the past 10 years. I mean, all of those things are at play here, and it's hard for me to pick out like which one of those is more important than the other.

Mark Marcon
That's fair. And then obviously, we've been dealing with all sorts of changes. It's obviously too early to tell and nobody knows exactly what's going to happen, but just in terms of just the latest international news item, do you think that's going to have any sort of real impact in the very short term with regards to the confidence? Obviously, it's going to depend on how it plays out. But if it just keeps -- if it plays out where it's just kind of in the background, do you think people are starting to just ignore things, or do you think it's going to create more hesitancy?

Gary Burnison
Well, I think you're right. It depends on where this goes. I mean, even if it's at this level and it's sustained, that's not good. Loss of life -- this is not good overall, and it just adds to everything else that's happened over -- it just -- it seems like seven or eight quarters now of all sorts of different kind of news. So, that's very, very hard to predict. I quite -- I've said this before. I think a fundamental issue is the cost-of-living prices. And when you have a gallon of milk, a carton of eggs [inaudible] prices, when all those things are up 50% and people talk about inflation moderating to 2%. It's a joke. It's an absolute joke because that's on a base of about 50%, and wages have gone up, but they haven't gone up that much. So, ultimately, a country either has to tax more, spend less, or grow, and growth is the best option there and the most practical.

And you would hope that countries have that platform of growth. And America has been fortunate that it's grown productivity 2% a year for a number -- a long, long time. The first quarter wasn't great. It was actually down. But over a long period of time, it's growing. And I think when you look at these demographic trends without immigration, what it's going to show is there's a serious shortage, for example, in America. Millions of -- millions of workers short.

And so, then the natural thing that's going to fill that gap is technology. I just -- I firmly -- I feel more convicted around that today than I did even a year ago.

Mark Marcon
I appreciate that. One last question, if I may, just on the balance sheet. Can you talk about what the bonus payout is going to be and how we should think about investable cash?

Gary Burnison
Bob, do you want to do that?

Robert Rozek
Yeah, Mark, we don't typically disclose too much around the bonus payout for obvious reasons. But it's going to be -- it will be sufficient to make sure that we're rewarding our real performers. I would say the investable cash -- the balance at the end of the year was about -- close to $675 million with about 25% to 30% of that in the US. And we'll continue to deploy capital following our balanced approach that we followed consistently over the past several years now where we're always looking to put the money back into the business first, whether it's hiring individuals, teams, putting money back into the investments that we're making, as Gary talked about the talent suite. It's a big play for us. Doing M&A this year, we've invested back into -- this past year into Trilogy to expand our interim solution over in EMEA. But then we do generate a strong amount of cash, and so we have returns to shareholders that we -- as Gary said, we've really leaned down on the dividend. I think the dividend and the buybacks now are pretty balanced, roughly $85 million to $90 million a year each. So, we'll continue to deploy that to the extent that we've got great opportunities from an M&A perspective, we would lean in there. And to me, the kind of the swing vote would be the share buybacks.

Mark Marcon
Great. Thank you very much.

Operator
Your next question comes from the line of Tobey Sommer of Truist. Your line is open.

Tobey Sommer
Thank you. In the marketplace, Gary, you described the labor market where things are tough, purchasing power is down. Also, employee turnover in the market is now down for I don't know probably five consecutive years and actually below pre-COVID levels. Is that something that you monitor and feel like it's needed to kind of drive some more dynamism in the labor market? And what kind of macro changes could we look at to see an improvement in the velocity there?

Gary Burnison
Yeah, economic growth. I mean it's not a good -- it's at an all-time -- I think you all know this better than I. But I think in the United States, the kind of annual turnover now is kind of like -- I mean, this is the meeting of the bell curve, but I think it's like 8% or 9%. I mean, it's historically

very, very low. Why? Because people can't get jobs, and so you've got a very anemic labor. If you're cranking out 100,000 jobs a month or 125 or something like that, the labor participation rate is less today than it was before the pandemic. And so, people are hesitant to leave a job even though the best time to look for a job is when you have a job. And companies, they've been very, very reluctant because they -- I'm generalizing, but they don't have pricing power. They've raised prices so much to deal with the supply shock from COVID that there's no mos. There's no more that you can raise prices. And so, that's kind of the deal. And, yeah, it's actually not a good thing to have this low level of employee turnover from a number of different dimensions.

Tobey Sommer
Thank you. I appreciate that. I wanted to ask a question about headcount productivity broadly in the organization from a corporate perspective. What's enabled delivering the higher corporate revenue without increasing internal headcount comparably over the last five years? And is there more to do there? Like, on a go-forward basis, should we think about the company being able to add a point of revenue with less than that in terms of bodies and headcount?

Gary Burnison
Yeah. I don't know. I think we've been through a pretty unique time. The big, big wild card is the monetization of our IP, which is a story that we've called forever and ever. That continues to be the single biggest wildcard because it's very, very scalable. And I read off all the statistics around data. It is very impressive. And hopefully when we can create something that's more seamless for a user and have a couple of ecosystem partners and we really put the full weight of the firm behind it, that, that really does. That's where the scale really comes in from a shareholder perspective and from a colleague-employee perspective, quite candidly. It's whether you can monetize that IP. And so, in a very difficult market, I look at it and I -- am I over the moon? Am I completely happy? No. Am I totally depressed? No. But that's the thing. That is the one thing that can create real financial scale. And we have that opportunity. We've had that opportunity, and we're working hard at it. But I think looking forward, that's clearly the issue there.

Then on the consulting business, we just have to continue to move towards longer, bigger engagement. The trouble with that is it does impact short-term revenue. It doesn't look as good necessarily on the outside. The backlog -- like, I look at our backlog, I think, in both consulting and digital, they're actually higher than they were a year ago. So, it's -- look, it's been a unique time. COVID changed everything, so I'm not going to sit there -- we've had a big change in the mix of business. We added a whole new capability with this interim. That -- apples-to-apples, if you adjust back before COVID, you would find that when you take the mix into account, we've increased EBITDA margins like 300 basis points, 350 basis points, something like that. I'm not going to sit here and pretend that we could do that again because there's a whole host of things that play here. But clearly, one big thing you would look at is this talent suite and the monetization of our IP.

Robert Rozek
Tobey, I would just add from a corporate cost perspective, as we've talked in the past, we've built a company that's plug and play. So, we have common systems, processes, controls across the globe. So, getting scale over time on our corporate function has been relatively -- I won't say easy, but it's easier because of the infrastructure that we have in place.

Tobey Sommer
Thanks for that. I'd like you to -- I know you gave a great answer, Gary, an expansive one, but I would ask you to elaborate a little bit more on kind of really accelerating and changing the digital. You mentioned ecosystem channel partners. Are there any additional internal changes to drive that acceleration? I think sort of within your span of control, sort of to go from the here to the there, as you say, whether it's incentive comp, are you double down on the Marquee sales force, internal org structure? What levers do you have at your disposal?

Gary Burnison
I think number one is we have to -- we have one business at Korn Ferry. We don't have five businesses. We have one business with five solutions. And I think number one is to change the mindset of the organization so that everybody in the firm is actually pushing that. So, that's number one. Number two is the Marquee and Diamond accounts for sure. Number three is we have a relentless focus on every single day as a leadership team. When we look at new business that's being opened in the logos, we're actually going through a very systematic and programmatic exercise. To look at those logos like I just did an hour ago and say, okay, what is the solution there? Have we been able to penetrate with our IP with digital or it could be interim, it could be consulting. It's a very, very programmatic exercise that we are doing every single day within the leadership team. So, those all absolutely come to the forefront. We continue with changing skill set and roles. We have global account leaders. Now we've introduced a new role client service partner where we are eliciting even more people that can deliver the entire firm. We're in the early days of that. So, yeah, there's a handful of practical things that we absolutely are doing.

Tobey Sommer
Thank you very much.

Operator
Your last question comes from the line of Josh Chan of UBS. Your line is open.

Josh Chan
Hi, Gary and Bob. Congrats on a good quarter. Just two quick ones for me on exec search. I guess would you classify the business as having really accelerated? Is that -- that's what it looks like externally? You have this similar level of consultants, but your engagements are up a lot sequentially and year-over-year. So, is that how you would look at the business in terms of having accelerated just this quarter?

Gary Burnison
I don't -- I tend not to pay attention to -- you can have some significant ebbs and flows depending on the solution. So, I wouldn't want to get into that. I would just say that, over seven or eight quarters, that solution has definitely gained more traction in the market. That is a true statement. And I think it's part us but part all these other factors that we've talked about. So, when you look over time, it has been up and to the right over several quarters over which I would describe those quarters as a very, very challenging economic environment being the last seven or so quarters.

Josh Chan
Okay. Yeah. That makes a lot of sense. And then maybe a quick one for Bob. I guess, relatedly, does the Q1 guide kind of include continued double-digit growth in exec search? I guess it's sort of a similar vein of questioning on the guidance there.

Robert Rozek
Yeah. We don't -- I mean, we just guided the total company number, Josh, but it does anticipate continued -- some level of continued growth on a year-over-year basis.

Joshua Chan
Okay. Thanks for the color and congrats on the quarter.

Gary Burnison
Thank you.

Operator
It appears there are no further questions, Mr. Burnison.

Gary Burnison
Okay. Thanks for joining us. Thanks for taking the time. I'm really, really proud of our colleagues, particularly in the face of what we all read about every single day. And we look forward to talking to you again, and I'm very, very excited about what we've got in store for us. This is just the beginning for Korn Ferry. Thank you all. We'll talk to you later. Bye bye.

Operator
Ladies and gentlemen, this conference call will be available for replay one week starting today running through the date June 25, 2025, ending at midnight. You may access the Echo replay service by dialing 800-770-2030 and entering the access code 1015275 followed by the pound key. Additionally, the replay will be available for playback at the company's website at www.kornferry.com in the Investor Relations section. This concludes today's conference call. You may now disconnect.