

The risk advisor's role

We must evolve faster than our clients on the topics of risk and people, says Greg Case, president and CEO at Aon.

Given the uncertainty caused by natural catastrophes, economic slowdown, and legislative and regulatory changes, companies today are operating in a world where the pace of change is unparalleled.

They know the magnitude, complexity and speed of risk are rising. The challenges to their organisations and the obstacles to achieving their business objectives and seizing opportunities for growth are bigger than ever. Protecting people and property has become more difficult. Attracting and retaining talent is harder for businesses to do and do well.

That is why the role of the risk advisor is so important in today's global economy. We have a tremendous opportunity to help our clients understand and manage their risks to protect against the downside and help them take risks that can generate growth and create a positive impact on their customers, employees and communities. To do this, we must evolve faster than our clients on the topics of risk and people.

Brokers must have a greater focus on value creation. What does that mean? How do you quantify it? The best definition is a very clear set of measures. When we help clients improve their operating performance, strengthen their balance sheet and reduce volatility, we become more relevant to their success.

Data and analytics is a critical element. Too many organisations have a surplus of information and a shortage of insight. Understanding how to measure and mitigate risk means using all of the information, technology and expertise at one's disposal to serve clients.

Evolving faster than our clients on their risk and people issues is the driver behind the investment in innovative solutions like Aon's Global Risk Insight Platform (GRIP). We asked ourselves: "Wouldn't it be great if we actually understood the global flow of risk?" And our clients said: "Yes." GRIP provides fact-based insight into Aon's over \$126bn in global premium flow, and makes the practical use of unique data an important part of the answer to client demands for innovative solutions.

And without a thorough understanding of the desired appetite for risk, syndicates and underwriters are not empowered with everything they could have to develop the solutions needed by clients. Aon GRIP Solutions provides insurance carriers with the raw data for analytic insights regarding underwriting capabilities and advice to foster a better understanding of the risk landscape. To better match insurer capital with client need; thereby, using analytics to add value to clients and insurers alike.

Another example of needed innovation is capital. Clients constantly are looking for creative uses of capital and the UK market has been a constant source for innovative solutions. Clients want solutions that will enable cross-border trade and alleviate security concerns in addition to ideas that will help them seek rapid recovery and capital after natural catastrophes.

As a global partner of Manchester United, Aon helped the club raise \$233m for their IPO, and was a co-manager in syndicating the equity necessary to complete this important transaction. Richard Arnold, group managing director of Manchester United,



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told us, "Access to the capital markets that Aon has provided has been pivotal to helping us prepare and access those markets and in continuing to communicate our story in terms of the financial strength of the Manchester United business. The work that Aon did in helping in the IPO was pivotal in making sure we had a really well-funded, liquid business that could grow in the future."

Innovative capital solutions also include our Berkshire Hathaway Sidecar initiative, launched in 2013. We showed that providing fast and efficient access for retail clients to AA+ rated capacity that was normally exclusive to reinsurance markets would be good for clients, good for London, and good for Lloyd's.

The services and expertise of risk advisors are needed more than ever. But we cannot be complacent. We must remain client-focused. We must provide a long-term perspective for clients. We must continue to invest in innovation. If we do not provide value to clients, we will not succeed and we will not survive.

The challenge for us, and our opportunity, is become even more valuable advisers, because our clients, and the world, require our expertise to manage the difficult challenges before us. ●