

Risk and People

An Interview with Greg Case,
President and Chief Executive Officer, Aon plc

EDITORS' NOTE Greg Case is also a member of Aon's board of directors. Before joining Aon, Case served on the governing Shareholders' Council at McKinsey & Company and led their Global Insurance and Financial Services Practice. Prior to McKinsey, he worked for the investment banking firm of Piper, Jaffray and Hopwood and at the Federal Reserve Bank. Case holds an M.B.A. from Harvard Business School and graduated *summa cum laude* from



Greg Case

Kansas State University. He serves on the boards of Discover Financial Services, Ann & Robert H. Lurie Children's Hospital, Field Museum of Natural History, CEOs Against Cancer, and St. John's University School of Risk Management.

COMPANY BRIEF Aon plc (www.aon.com) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 65,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions, and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world's best broker, best insurance intermediary, reinsurance intermediary, captives manager, and best employee benefits consulting firm by multiple industry sources.

What is the Aon Advantage and what has made this company successful?

Aon does two things: We're either helping clients or helping colleagues help clients. In the end, it is our 65,000 Aon colleagues around the world who are the cornerstone of everything we do.

Among the most important issues in the global economy, we focus on risk and people: helping companies understand, measure, and mitigate risk and address the same issues on the people side.

So we have two incredible platforms around risk and people and it is the content, capability, investment, and data analytics that support our colleagues so we can support clients. This is the focal point of how we serve clients effectively.

We are at our best when we're one firm. Aon United, as we describe it: bringing the global firm to our clients in their backyard and

to our colleagues every day is a formula we find compelling.

With such a strong global footprint, does the U.S. still offer strong opportunity or will much of it come from emerging markets?

These two topics of risk and people are becoming more important in the global economy.

There are new risks on the horizon – you have to protect against terrorism and cyber-risk, as well as consider the issues surrounding sustainability and global warming.

All of these things fit into an equation that is on the horizon of what we have to do. So the whole idea of new and emerging risks means there are opportunities now more than ever before.

Considering how interconnected all of these risks are, we believe there is tremendous opportunity both in the developing and the developed countries. We're in 120 countries around the world so we have opportunities to serve clients in all of those places.

Also, in terms of the issues regarding people – retirement, pensions, health, and benefits – only about 20 percent of our population is prepared for retirement. The opportunity to help companies solve this issue is critical.

In New York City and around the U.S., every company is seeing their P&L cost going up 10 to 15 percent every year for health care costs. If we can help mitigate this, that is powerful.

We see growth opportunities with clients in emerging markets but also in our own backyard.

At your firm's size and scale, how do you maintain an innovative edge?

Based on the strength of our data and analytics, we believe that we should be able to accelerate innovation. We reject the idea that if you're bigger, you can't innovate – it's quite the opposite. We believe our size gives us opportunity to innovate.

We have data sets that we believe are almost unparalleled around the world. We have the biggest repository of insurance information in the world today – it's our global risk insight platform. This is a data set that we continue to evolve and invest in that is going to give us the basis from which to innovate.

On the people side, we have an understanding of how people think about benefits and how they buy benefits. We support the benefits of 22 million people in the U.S. alone.

Out of those two data sets – one on people, one on risk – have come multiple innovations related to how to think about and calibrate risk and other innovations related to the people side.

On the people side, we launched the first ever corporate health care exchange last year. It's the only fully insured exchange on the market today and it has been tremendously successful.

We have been very fortunate: we have a strong set of analytics and a set of core data that allows us to innovate. Our size gives us a lot of opportunity to do that.

Has managing risk changed today and how challenging is it?

It has become more challenging in several ways: the aggregate level of risk is going up in the world today with all of the traditional risks and the emergence of nontraditional risk – global warming, identity theft, cyber-risk, etc.

Another is the complexity of risk – it's more interconnected than ever before and we're forced to make decisions faster than ever. People also care more about this topic today than they have in the past.

It's more difficult to manage but the opportunity for companies who do it well is now disproportionately larger. So if you get this right, you can capture great opportunity; if you get this wrong, the penalty is much greater.

Would you describe your relationship with the Partnership for New York City and its recent study around talent?

New York is such an important part of Aon. The opportunity to spend time with Kathy (Wylde) and her team on this study was a privilege. We were able to help them step back and think through where New York is from the standpoint of overall talent. We know it has a privileged position in the world but where does it stand? What are the aspects of talent in New York that are particularly strong?

Given the investments of the Mayor and his team, and the corporations and educational facilities, what is the trend line? Is it ahead of the world?

The good news is that today New York City is ahead on talent, but there is a growing mismatch between business needs and skills. New York City is in a leadership position in areas that drive talent, and it has a global brand as a city of high achievers and innovators. However, it must continue to invest in its talent value proposition in order to stay ahead in an increasingly competitive global marketplace. ●