

The changing face of global risk

The magnitude and complexity of risk in the world today are increasing and scrutiny is 'going through the roof'. Aon Corporation CEO Greg Case made these observations in a keynote address at the start of the Leadership Summit.

He says he reached to these conclusions during his two years at Aon after speaking to more than two thousand top managers around the globe.

Citing a recent Accenture study, he says the number one issue on the minds of CEOs today isn't global warming, recruiting or strategy -- but risk. "Making decisions in a wrong way against risk can be fatal," he says.

That's why companies need a game plan and should avoid thinking about risk in a very narrow way, by worrying about what might happen.

'Risk is not insurance'



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“Risk is not insurance. Insurance is a critical, critical component of fulfilling risk. (You) can’t do without it, (you’ve) got to have the balance sheet, the trade offs. But it’s one piece.”

Hundreds of billions of dollars are spent each year on risk management and risk assessment, he says. But despite spending more than 300 billion in the US and a ‘comparable amount’ in Europe, the ‘clarity’ is not there, he says.

Risk is about opportunity, Case says. “If you confuse risk with downside you’re making a massive mistake. Risk is about opportunity. Risk is three parts opportunity, one part downside.”

Case argues that Europe is well positioned in terms of dealing with risk and should take the lead.

“Owning this issue is a cornerstone to the global economy. Not one decision that gets made today, that involves capital investment, does not involve risk. You get this topic right and you’ll do incredibly well. And no one is better positioned than Europe.”

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