

Making a Difference in the Moments that Matter

An Interview with Daniel S. Glaser, President and Chief Executive Officer, Marsh & McLennan Companies, Inc.

EDITORS' NOTE Prior to assuming his current role in January 2013, Dan Glaser served as Group President and Chief Operating Officer of the company. He rejoined Marsh & McLennan Companies in December 2007 as Chairman and Chief Executive Officer of Marsh, returning to the firm where he had begun his career right out of university in 1982. Glaser is an insurance industry veteran who has held senior positions in commercial insurance and insurance brokerage, working in the United States, Europe and the Middle East. He serves as the Chairman of the U.S. Federal Advisory Committee on Insurance (FACI). He is a member of the Board of Trustees for The Institutes and the Board of Directors for the Partnership for New York City. He is also Co-Chair of the International Advisory Board for BritishAmerican Business. Glaser attended Ohio Wesleyan University where he completed his undergraduate studies and attended the Advanced Management Program at Harvard Business School.



Daniel S. Glaser

COMPANY BRIEF Founded in 1871, Marsh & McLennan Companies (mmc.com) is a global professional services firm with two operating segments, Risk and Insurance Services and Consulting, comprising four major businesses – Marsh, Guy Carpenter, Mercer, Oliver Wyman – each a global leader in its field. With more than 76,000 people globally and revenue of \$17 billion, it is a Fortune 200 company.

Marsh & McLennan is a purpose-driven organization with a long history of supporting its employees, clients and communities. How has Marsh & McLennan adapted its business and the way it works during this unprecedented time in order to continue to effectively support its employees, clients and communities?

Marsh & McLennan has 76,000 colleagues around the world united by a common purpose to make a positive impact on the businesses, people and societies we serve by providing guidance and support during critical moments. Our purpose is simple: “making a difference in the moments that matter.” Moments of crisis, like the COVID-19 pandemic, test how committed your organization is to your purpose and whether your leadership team and your colleagues really believe and live it.

I know more than ever that our colleagues are fully committed to our purpose. These past six months, I've been inspired by how they have risen to the occasion and are living our purpose through their work on behalf of clients, their care for and collaboration with one another, and their service to our communities.

From a business perspective, we have adapted by becoming faster, flatter and better connected than ever before. We haven't skipped a beat in client service throughout the pandemic. We were

able to quickly shift to working from home in a matter of days globally. We are also collaborating at scale to bring the power of our firm to clients and our thought leadership to policy makers. For example, Marsh and Guy Carpenter are leading the industry to create a new market for pandemic insurance and have initiated a dialogue with Congress to create a public/private partnership for pandemic risks which would facilitate future economic recovery and enhance resiliency for companies and cities like New York.

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As a leadership team, early on we set up a \$5 million fund for colleagues experiencing financial hardship. Our colleagues are juggling enormous

personal and professional demands. Yet, they are also finding time to give back. We've shared stories across the firm about colleagues sewing masks, distributing food packages to those in need and conducting virtual storytelling sessions with the children of colleagues. There are dozens of instances like these and they are truly remarkable.

Marsh & McLennan was built with an entrepreneurial spirit and an ability to be nimble and adapt. How is the company addressing its business during this time in order to succeed in this challenging environment?

For over a hundred years – next year is our 150th anniversary – Marsh & McLennan's ability to innovate is what has helped us shape our industries, create lasting client impact and thrive as a business through changing times. Regardless of the shape of the COVID-19 economic recovery, we have proven our business is resilient. Our advice and solutions are more critical now than ever. Times like this require leaders to balance short-term needs with a focus on provisioning for the long term. This has always been our strategy.

In the short term, we've cut back on discretionary expenses to drive down costs while preserving jobs and salaries during the thick of the pandemic. We've paused nonessential hiring but continued to make critical, strategic hires. We've also moved forward with several acquisitions as we continue to pursue growth.

Looking beyond the current crisis, I believe we will emerge as a stronger firm.

There is a great deal of discussion about businesses reopening in a “new normal.” What is your outlook for what this new normal may look like and how is Marsh & McLennan preparing for the next stage in this crisis?

Like most large companies in New York, we never closed. We all woke up one day in the midst of a new reality, the “new normal,” which we will likely be living in for the long while, until vaccines and treatments are produced at scale. As our team at Oliver Wyman, which has developed a leading pandemic forecaster, describes it: it's about managing our businesses and the economy through the long haul of suppression.

While in most parts of the world we are through the initial phase of peak fear and uncertainty around health outcomes, we are now in a period of dealing with the economic fallout and living with the continuing health implications of the pandemic. These economic and health

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uncertainties could last a year or longer, challenging companies well into 2021. Yet, there is also a lot to be optimistic about. Each of us is learning how to do our jobs in new, creative ways and embracing virtual technology. Colleagues are finding new and different ways to connect with each other and their clients.

We may decide that some aspects of the “new normal” should become permanent. For instance, I expect flexible work arrangements to persist to some extent. In our recent surveys, colleagues have expressed support for greater flexibility. Over time, if we do it right, this could result in improved colleague satisfaction and a reduction in environmental impact as we reduce commuting time and business travel.

Marsh & McLennan has a long and deep commitment to New York City which has been heavily impacted by the pandemic. What are the keys to New York City’s recovery and how critical is it for there to be a strong public/private partnership to ensure a safe and effective reopening of New York City?

We are proud to be headquartered in New York City. The diversity of talent, the infrastructure, the resilience of the people, the partnership among civic and business leaders through organizations like the Partnership for New York City all make this an ideal place to do business.

Oliver Wyman and Mercer recently contributed to a Partnership for New York City report on COVID-19 recovery efforts which calls for multi-sector action to restart our economy. Recommendations vary from improving access to financial and technical resources for small and minority-owned businesses and an employer-led effort to expand job training, credentialing and hiring of city residents, to advocacy at the federal level for COVID-19 relief funding for city, state and transit agencies and cross-sector problem-solving sessions to address transit, tax, security, housing and racial justice issues. Our approach to recovery must be as multifaceted as this great city.

Another critical component of our long-term recovery will be building a robust pandemic risk insurance market. Insurance gives businesses the confidence to open their doors and take risks. In the case of pandemics, insurance can help reduce risk and build resilience to prevent future economic devastation on the scale we’re seeing now. Robust national pandemic management needs insurers, backed by

the federal government, to write pandemic insurance policies and brokers to contribute their risk knowledge and infrastructure. Widespread pandemic coverage would make the insurance sector the first line of economic response in future outbreaks. A pandemic public/private risk solution can serve several purposes:

- Facilitate access to capital from both lenders and equity markets that will require assurance against future pandemic risks;
- Create greater certainty for businesses and employees in the event of a recurrence of COVID-19 or during a future pandemic; and
- Enhance the resilience of the local economy and its ability to bounce back following a future pandemic.

We hope Congress votes on legislation to create a public/private pandemic risk solution before the end of the year.

Lastly, once we have made meaningful progress on our economic recovery, we should not jeopardize it with tax increases that could cause businesses to relocate outside the city.

Marsh & McLennan is committed to building a diverse and inclusive workforce. Will you discuss these efforts and how critical is it for the company to have diverse perspectives and experiences at the table when making business decisions?

Racial inequality is a pervasive issue globally. In the U.S., it came to a breaking point with the killing of George Floyd earlier this year. Recent events have been shocking to many and, regrettably, all too familiar to others for far too long. Our executive committee and I have been fully engaged on this issue, listening to our Black colleagues and others, speaking up alongside them, and taking concrete actions to address the structural inequities that enable systemic racism. We are determined to seize this moment to become a more diverse and inclusive company.

As a leader in professional services, we are improving our recruiting, hiring, development and promotion processes to help more diverse professionals take advantage of the career and economic opportunities our industry provides. We are committed to increasing the diversity of our workforce by strengthening our D&I measurements to promote transparency and accountability, implementing mandatory training on unconscious bias, allyship, and inclusive leadership for every leader and manager, and we are committing \$5 million to support organizations that advocate for equity in the Black community.

We know that a diverse mix of talent better serves our clients and our diverse communities. It’s no secret communities of color are underrepresented in our industries. We have work to do to improve this.

Mercer’s research has shown that diverse organizations are healthier, more productive and more able to come at problems in a broader fashion, creating more thoughtful and innovative solutions. Clearly, diverse organizations are the right thing for society, our clients and business.

What do you see as the role that business can play as a force for good in society by bringing its talent, expertise and resources to help address global crises?

Companies like ours have enormous power to shape the future through investment, expertise and the advice that we provide to a world of clients. Marsh & McLennan touches the lives of more than 110 million people directly every day, and many times that number through the advice we provide to clients in 130 countries and the transactions we perform on our clients’ behalf. We can make decisions that positively impact people and societies as well as our bottom lines. One of our core commitments is living the greater good. You can serve the greater good and grow a business. They are not mutually exclusive. For instance, during the worst of the pandemic in Italy, our colleagues in Mercer Marsh Benefits created a product that provides COVID-19 support to more than half a million employees in the country. The team then developed similar products to support people in more than 30 countries. That’s doing well and doing good.

You are known to be an optimistic person. During this difficult and uncertain time, what are you telling your people and what would you say to young people across the country who are deeply concerned and uncertain about the future?

I wake up every day believing that the best is yet to come. I’ve been quarantining with my youngest daughter and part of the reason that I continue to believe this is true is because of her generation. Their approach to social and racial justice, their focus on the environment, their ability to continue reinventing themselves and their careers despite coming of age during the great recession of 2009 and experiencing the economic fallout we are seeing today, encourages me. I would remind them that they have all the tools and the passion to make this world everything they wish. They are unstoppable. ●