Finance and Insurance Workforce Summit

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March 15, 2007
Aon Corp Overview

- Headquartered in Chicago, IL
- 500 offices in more than 120 countries
- 46,000 employees
- $9.0 billion revenue in 2006
- Ranked in the top 250 on the Fortune 500 list
- Partners with 85% of Fortune 500 and Fortune Global 500
- Listed on NYSE: AOC
Aon’s Businesses

- **Aon**
  - **Insurance Brokerage & Risk Management Services**
    - Retail, Reinsurance, and Wholesale Brokerage
  - **Human Capital Consulting**
    - Employee Benefits, Compensation, and Outsourcing
  - **Insurance Underwriting**
    - Supplemental Accident, Health & Life Select Property & Casualty

Synergy across Aon Lines of Business
Aon’s Workforce

- 15,000 US employees
  - 3,800 in Greater Chicago Area
    63% Exempt
    37% Non-exempt
    40% Male
    60% Female

- In the US Aon hires ~3,000 employees per year
  57% Exempt
  43% Non-exempt

- Top 5 sources for talent pipeline
  28% Internet Job Boards
  27% Employee Referral
  20% Internal Promotions/Transfers
  10% Direct Sourcing
  3% Agency
Finance and Insurance Industry

- What do financial services and insurance have in common?
  
  Taking risk

  Mitigating risk for individuals and businesses

  Draw from common talent pool

  Deep customer knowledge

  Provide common services: financial advice and solutions
Finance and Insurance Industry

- Recent trends in the industry:
  
  Product convergence across industries

  Consolidation

  Expansion to minority and underserved markets

  Web based businesses are transforming customer demands and business models

  Globalization of businesses, customers and talent
Significant Implications for Employment

3.3 million US jobs, will move offshore in the next 15 years – Deloitte Research

Estimates: Potential to shift of 2.3 million jobs in US banking and securities; US$17.5 billion in operational and technical costs overseas by 2010. – Celent Research

25% of all US IT jobs will move offshore by 2010 – Gartner Research

• Companies are increasingly segmenting business processes and using different delivery models:

  “Non-Core” / Transactional Processes
  Moved to low or lower cost regions: Labor arbitrage
  Focus on most efficient service delivery on global basis
  Outsource to expert providers with array of capabilities

  “Core” / Value-added Services
  Knowledge workers with technical, analytic and business / product specific knowledge
  Adaptable, flexible, comfortable with change to meet future demands
Examples of Work Outsourced / Off-shored

• Technology / Software
  Program / software development
  Network administration

• Claims processing

• Finance and accounts payable / premium processing

• Indirect Customer Service
  Call centers
  Web helpdesk
  Reporting

• Calculations and modelling
Jobs that Will Grow

• Sales
  Retail banking
  Insurance

• Client consultants
  Bring value-added ideas and services
  Customized solutions

• Complex transactions
  Actuaries
  Underwriters
  Brokers
  Lenders

• Direct customer service
  Bank tellers
  Insurance agency reps
  Investment advisors
Strategies for Today’s Workforce

• Ensure that we are preparing and creating a workforce with both types of skills needed for the future:

“Hard Skills”
- Technically savvy
- Quantitative and analytic skills
- Specific licensing and credentials
- Broad business and industry knowledge

“Soft Skills”
- Core set of transferable skills that can translate across positions and organizations
- Many large companies will define and articulate these competencies for their employees
Developing the Knowledge Workers of the Future

• Traditional Training
  Literacy and education in:
  - Math
  - Analytical skills
  - Technology
  - Product knowledge
  - General business acumen (P&L)

• Experiential Training
  Experience and application of skills in:
  - Customer service
  - Working with diverse teams
  - Critical thinking
  - Problem solving
  - Decision making
  - Ability to deal with change and ambiguity
  - Teamwork
  - Leadership
Strategies for Tomorrow’s Workforce

• Ensure that we are educating talent about the opportunities in the finance and insurance industry:
  
  – For example: Employers are developing robust on-campus programs to educate early career talent and provide opportunities that meet their needs
  
  – Spread the word: It’s a “sexy” industry after all ....

Aon on the big screen!

Risk Management when filming on location:

  - Marine insurance
  - Intellectual property coverage
  - Individual actor policies
  - Physical property and equipment coverage
  - Risk mitigation strategies for extreme weather
Question & Answer