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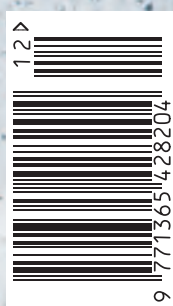
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Adjusting to a new market

Harsha Agadi explains how he is using lessons learnt from the movies in his role at Crawford & Company

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Harsha Agadi Crawford & Company

As Crawford 'outperforms expectations' in terms of growth, **Michèle Bacchus** speaks with CEO and president Harsha Agadi about his plans for the company

Sitting down in front of a film with a notepad and pen is probably not many people's idea of an exciting night in. But some notes scribbled down during just such cinematic sessions are very possibly responsible for the incremental developments that have been seen at Crawford & Company since its CEO and president Harsha Agadi first stepped through its doors as interim CEO in August 2015.

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A self-sworn "massive movie buff", the Indian-born globe trotter admits to looking for "interesting lessons out of the movies", and names one film in particular: "a very old movie called *12 O'clock High*" which, Agadi says, is "an absolute lesson in management".

Not the most conventional of methods to learn management skills, but since Agadi took up the full role last August, the impact on growth has been such that Crawford is soaring.

Agadi beams with pride when talking about the





June 2016 to now
CEO and president
Crawford & Co

**August 2015 to
June 2016**
Interim CEO and interim
president
Crawford & Co

**August 2010 to
February 2012**
Chairman and CEO
Friendly's Ice Cream

**December 2004
to December
2009**
CEO and president
Church's Chicken

Since 2000
Chairman and CEO
GHS Holdings

Agadi also serves on the
boards of Quiznos, The
Krystal Company and
Orient Express Hotels

progress made within Crawford's four operating arms – US, international, Broadspire and Garden City Group – and shakes his head at the idea of downsizing: "I am happy to tell you all four divisions are exceeding expectations and, in fact, it was in quarter three where all four divisions went into double digit margins," he states.

Breaking into a broader grin, Agadi labels himself an "eternal optimist" and says he is confident share prices will again hit the heady peaks of the late 1990s. "Just in this year alone, our stock price has almost tripled, which is a fantastic performance from the low point to where it is today. I believe sincerely we are still undervalued."

With Crawford now placed "in the outperformed column" by analysts, the credit for this level of performance, Agadi explains, goes to "every Crawford team member". He continues: "As their CEO I sleep rather peacefully and well thanks to each and every employee because we are all moving in the same direction."

Agadi wants that direction to continue as an upward vertical one as far as the Crawford balance sheet is concerned. He sees huge potential in developing what he calls 'tier one' operations – the US, the UK, Canada and Australia – as well as economies further afield.

The West is still [full of] robust large economies, the East is rising fast and people forget at times that Latin America as a market is the size of India. It's a pretty serious market

"We continue to be underweight in our largest markets despite being the largest independent claims company, so investing in these tier-one markets is key and also recognising there are rising world's economies in the East that we need to start scaling," explains Agadi.

"The West is still [full of] robust large economies, the East is rising fast and people forget at times that Latin America as a market is the size of India. It's a pretty serious market. And I believe Africa will have its day as well."

From start to finish

Quoting 700 offices in 70 countries and with 9000 employees coming from more than 100 countries, Agadi calls Crawford the "United Nations for the insurance claims business", explaining his objective is for the company to play along the entire continuum of a claims process.

He adds: "We want to help carriers receive their first notice of loss, we want to be able to help process the claim. We are even in the business of restoring the damage."

> 24



At any given time we are looking at over a dozen acquisitions. Having said that, we are very careful and diligent not to buy for the sake of buying

< 23 In short, Agadi aspires to heading up a company that has “a cog in every wheel of a claim that happens anywhere on the planet”.

This is a pretty large remit but Agadi is preparing the ground: “As we have economies rising in the East or in parts of Latin America or in places like South Africa, we need to really invest in some of these markets and get ready for it, and that is partly investing in training people and resources, and the other part is also offering back-office support to larger peak demand events.”

While mining potential in the world’s various economies, Crawford is also considering new products and services “that might not even exist today” to enhance its claims solutions. Three areas were cited by Agadi: “Cyber premiums have literally exploded in the last 24 months and are again projected to quadruple over the next four years. We are becoming an expert in the area – we are being sought in many places.

“The second would be forensic accounting, and the third might also be yet another new product, which is terrorism insurance, because it affects businesses and it interrupts businesses, so we are slowly gaining traction in that as well.”

Agadi also points to rising claims in the healthcare sector and believes Crawford could have a place there too.

Branching out into different areas of expertise is no easy decision but Agadi has a plan in place: “We have people employed whose only existence at Crawford is to be specialised very narrowly in these spaces so that they become the world-renowned knowledge experts in those areas and we are providing able solutions to carriers.”

This decidedly global outlook stems from the CEO’s

5 WORDS to best describe him

- 1 Humorous
- 2 Humble
- 3 Tough
- 4 Firm
- 5 Fair

own journey. Having grown up in India, the UK and the US, Agadi certainly has a diverse background. “I might be the only CEO in the insurance sector who’s actually had an arranged marriage,” he jokes, while casually throwing in the fact that he attained his Duke of Edinburgh Gold Award in the UK.

Agadi is clearly proud of his own achievements but also takes pride in his staff. Ideal employee attributes he cites are unparalleled integrity, being entrepreneurial and a focus on innovation and continuous improvement.

A customer-centric approach is also paramount. In fact, everything he does, every decision made, seems to underpin the primary purpose of keeping the customer at the forefront of Crawford’s operations.

A “lifetime in food and hospitality” before joining the claims management company has evidently played its part in developing Agadi’s innate sense of service. “The customer is always right and our role is to serve and service the customer. Events happen, people are under distress. Our role is to restore order and bring their lives back to normality. We make a difference daily all across the globe and we are actually a blessed business because we are bringing solutions and people’s issues get resolved.”

These solutions are increasingly involving digital services and Agadi can’t wait to get stuck in with what the future holds. “We are in a very strong position,” Agadi explains. “Unlike many of our competitors, we have the lowest debt to cash flow in the industry. We are going to partner with insurtech firms for sure and as time goes by we will make news that will be disruptive in a positive sense.”

Agadi has strong feelings about the insurtech industry. “That disruption is possible, is the first step a CEO has to recognise,” he declares. “Even though I don’t belong to the Millennial age-group, I am absolutely convinced disruption is coming, it will happen. Either you want to be part of it or you want to give birth to it, or you want to collaborate. Those are the three options. The last choice – not to work with it – is not an option.”

Excited about insurtech instead of concerned, Agadi



says: "We are frankly a picture of stability and that gives steadiness at the leadership level that we can make the investments we need." He adds insurtech "challenges traditional thinking so gets us on our feet and very alert".

"We might start getting non-insurance claims business play where we might have solutions for events and situations, and business process needs that might not even be a claim tomorrow," he muses.

Consolidation train

However, Agadi is keen not to just jump onto the industry's consolidation train: "At any given time we are looking at over a dozen acquisitions – it is responsible to look at opportunities. Having said that, we are very careful and diligent not to buy for the sake of buying.

"We did an acquisition two years ago of GAB Robins in the UK and that was a wonderful acquisition. We went from being in the top four players, both of us, to becoming the number one independent claims company in the UK. For us, our focus in every country is to be the number one independent claims company. Until you achieve that status, you really have not reached the position where you can consolidate."

With a "multi-pronged approach" to claims and an international workforce, Agadi is determined that Crawford reaches this status sooner rather than later. He cites the flooding in northwest England and the hurricanes in America as instances where the company offered assistance to insurance companies.

"In an event like that, insurance carriers – doesn't matter how large and how well-prepared – will get overwhelmed. We can step right in and back them up and support them, sometimes from multiple countries to increase capacity in real time to process claims. When Hurricane *Matthew* was ripping itself through the Bahamas and going along the coast of Florida then entering South Carolina, we did have adjusters dealing with the problem out of the UK as well as the US and in some cases even from Mexico."

With an international taskforce already poised to



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Detroit
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Wilbraham, Mass.

HOBBIES



Food



Movies



Stamps

Agadi on

What qualities it takes to be a Crawford employee: What makes an ideal Crawford employee? A customer-centric approach is the first quality, unparalleled integrity, that's the second. The third would be innovation and continuous improvement. This is a team sport as opposed to an individual sport; we need to be very collaborative in working together. Our approach and the staff we have need to have broad global thinking and the last piece is, I would say, being very entrepreneurial and almost making sure mentally borders do not exist, they only exist in the mind, and we need to be transcending beyond those kinds of separations and work collaboratively.

assist insurers in global catastrophes, it is no wonder Agadi is relaxed about Brexit. "We are very well prepared because we are everywhere. Having said that, for the last 200 years approximately, the London Market has continued to be the capital of the insurance sector and based on that, it will continue to remain the most developed insurance sector on the globe."

In fact, he is positively confident about Crawford's position and believes Brexit won't have much of an impact. "Things are cheaper from the US dollar perspective. But on a separate note, opportunities always arrive in moments of history where maximum change happens. So I see this entire thing as a moment to seize and make an opportunity of it.

"London continues to be the best place to operate an international business. That will not change because what London offers and what the UK offers is an unbelievable level of stability and connectivity just because of where it's physically positioned on the map: you can reach everywhere quickly on a much shorter flight than being at either end of the planet."

So what about America and president-elect Donald Trump? Calling the US election "just another confirmation of democracy" Agadi admits: "Now we need to learn that we all have at times extreme points of view, and in time we will know if the president-elect can display the maturity that is required to be the president of the US."

Parting gift

For his own legacy, Agadi is far more concerned with company reputation than just financial figures; he understands that often an excellent reputation will naturally precede success. "The legacy should be described as a much stronger company: people will hopefully remember that Crawford is one of the highest aspirations for an employee to work at, and we become the most favoured employer in the insurance sector. And we should continue to be known for innovation and restoring lives and property." ■