

PROFILE

**JOE PLUMERI
CHAIRMAN
AND CEO,
WILLIS
GROUP**

**Insurer eyes
the land of
opportunity**

Willis's American chairman has taken the broker in a new direction. But, writes **James Quinn**, he insists he hasn't forgotten its London roots

FROM the corner of Joe Plumeri's office shines a blue neon sign: "The Chairman Is Happy." In the anteroom in which we meet, baseball memorabilia sits comfortably alongside corporate nick-knacks.

Plumeri doesn't quite match the image one might have of a man who runs Willis Group, the 180-year-old London-based insurance broker.

Rather, with his tailored suit, bronzed complexion and gold rings, the proud American-Italian looks almost as if he might have ended up in Willis's New York offices, where we meet, by mistake.

And that's because he pretty much did. "I really didn't want the job," admits Plumeri of his role at the helm of the world's third largest insurance broker. "I didn't know anything about insurance. I certainly didn't know anything about London. And I didn't know if my act would fly in London, to be honest with you."

Former colleagues - he had just retired from a 32-year career with Citigroup at the time KKR founder Henry Kravis approached him - told him he was "hyper-enthusiastic and too passionate" for London.

In the end he took it because his Willis predecessor, John Reeve, "told me he didn't think KKR should hire me".

Since joining Willis in October 2000, Plumeri has taken the group from a London-centric business, which KKR bought in 1998 for \$1.4bn (£750m), to one which, following a stock market listing within eight months of him arriving, is worth \$4.6bn and has offices in "almost every known country".

His defining moment may be yet to come, however, after sealing a deal in June to buy US rival Hilb Rogal & Hobbs (HR&H) for \$2.1bn, in what is the biggest acquisition the insurance broking industry has seen in a decade, and one that took place in the gloomiest of markets.

"Look, I think we got a perfect storm here, that's what makes it more fun. You couldn't do a deal like this if the climate was great, right?" asks Plumeri.

"Then, I'd have to pay \$90 a share or something for HR&H,"

he smiles, in the knowledge that the deal is costing Willis just \$46 a share, and even that is a 49pc premium to HR&H's then share price.

The main task he and his management team face is convincing all employees, both from HR&H and from Willis, that the corporate culture that emerges is better than what went before.

The deal allows Willis to grow in the US in a way that would have been extremely tough organically, with US revenues growing from 30pc of Willis's total \$2.6bn last year to approximately 45pc.

He wants to tap the American market not only because that's where the bulk of large multinational companies tend to be, but also because it holds a booming number of small and middle-market businesses that can become Willis's bread-and-butter customers.

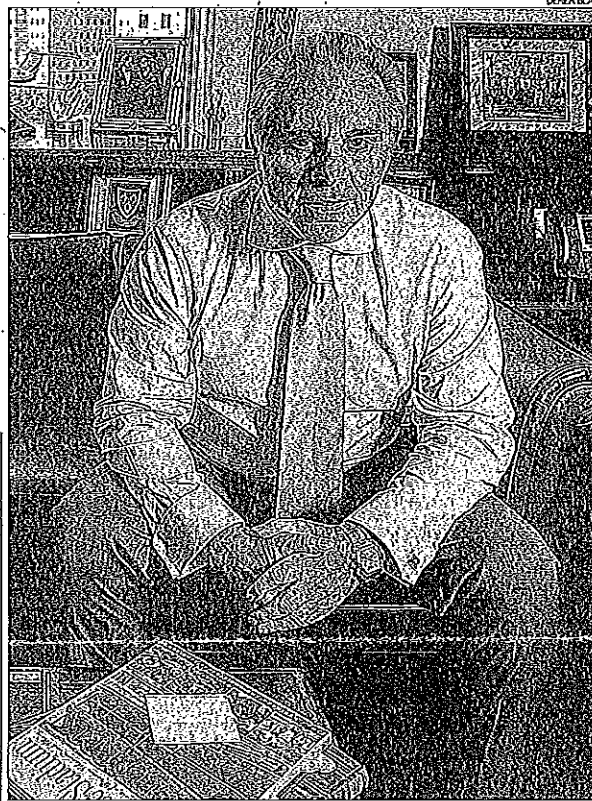
But, with a growing business emphasis on the US, not to mention the fact that Plumeri lives in New Jersey, isn't Willis in danger of leaving its British roots behind?

The suggestion leads Plumeri to speak at greater speed and with more vehemence than normal - quite a feat.

"If I were British or Scandinavian, I would still have done the HR&H deal, it has nothing to do with Americanisation. I don't think that Willis has become more and more American. I am a little more effervescent than my predecessors was, or my predecessors, that's true. That's not because of my Americanism, it's because of my style."

That style shone through when Plumeri made a big deal recently about unweaving the firm's new 410ft skyscraper in the heart of the Square Mile, roping in the Duke of York and Lloyds of London chairman Lord Leven of Portsmouth for the festivities. "I'm making a big deal out of it because London I believe is becoming. If it hasn't already become, a global financial centre of the world," he stresses.

As a result, he argues, Willis is well placed to tap into the growing amount of money flowing from Russia and the Middle East, stressing that he believes London is just as



Hyper-enthusiastic: Joe Plumeri was unsure about the Willis job, but took it to prove the doubters wrong

important as New York and that Willis's headquarters will remain in the capital.

But for Plumeri, London remains a long way away from the city in which he made his fortunes and spent the majority of his career.

The young law student from the "neighbourhoods of Trenton, New Jersey" - he likens it to Hackney - "got a good few breaks" along the way, not least stumbling into Sandy Weill's brokerage Carter, Berlind, Potoma & Weill, thinking it was a law firm.

After starting as a gofer, he rose up the ranks over 32 years to become head of Primerica Financial Services, Cit's life insurance arm, having run Smith Barney and Citibank North America along the way.

When asked about Cit's current predicaments - facing calls to be broken up after writing down more than \$40bn in the past 12 months - his speech slows. "I don't think it's necessarily a slap on the strategy, I think it's a slap on the execution," says Plumeri.

"Look at the people who have come out of Citigroup," he says, pointing to JP Morgan Chase chief Jamie Dimon, two of Dimon's key lieutenants Bob Lipp and Steve Black, and new AIG chief executive Bob Willumstad. "Eight, nine years ago, that place was buzzing. The problem isn't Citigroup's structure, as it is maybe the people playing."

The sporting analogy -

Plumeri's favourite kind - stems from his deep-seated love of baseball, passed down from his father, which has led him to buy two minor league sides and recently saw him donate \$1m to a local college to build a sports stadium.

As someone who clearly believes in a strong work-life balance, he tries to spend as much time with his family as he does at work; he is overseeing his half-share in his son's local restaurant, or talking to his daughter, who calls during the interview to pass on an update about her two-week-old baby.

"I like to get away with as little sleep as possible given that I can do more when I'm not sleeping, and that I'll be asleep for quite some time."

When the time comes to leave Willis - Plumeri is now in his mid-60s but is still looking forward to the challenges that lie ahead at the firm - he wants to be remembered for what he has achieved.

"When I leave here, people will say 'This is a much better company than when he got here', and if I can do that, that's all you can really hope for. And what I'd love people to say is 'That guy made me do things I never thought I could do'. That's really a test of leadership."

Given that he has done that to himself for the past eight years - doing something he probably never thought he could do - in many ways, he has already fulfilled his own legacy.

CV

Name Joe Plumeri
Job Chairman and chief executive, Willis Group
Education College of William & Mary, Virginia; New York University Law School
First Job Cofer at Carter, Berlind, Potoma & Weill
Career Banker, 32 years, at what became Citigroup
Family Wife Nancy, three children, three grandchildren
Hobbies Baseball, horse racing, golf, charity work, restaurant investing
Current mobile phone ringtone Theme from Mission Impossible