

# Risk Consulting Group Building its global reputation

with **Jorge Luzzi**

**H**erco Consultoria de Riscos was created in 1971 as a risk management and loss prevention business for the Hering Group, a textile manufacturer in Brazil. Its name – Herco – is taken from the initials of the **Hering Company**. Herco soon devised innovative risk management strategies and started to expand activities outside its parent group. Realizing there were few processes for operational and industrial risk analysis and as a result, little communication with the insurance sector, Herco introduced risk management techniques and processes that could apply to varying risks across many sectors.

Their expertise and knowledge secured them major clients, such as CSN, Usiminas, Caixa, Açominas, Itaipu, Telemar, Cosipa, Copel, Petrobras, Heineken, ArcelorMittal, Pirelli and Prysmian.

A significant investment in technology in 1996 enabled Herco's specialist business to move forward and pooling resources with Petrobras and CETESB (Environmental Company of the State of São Paulo), it acquired PHAST, a leading quantitative risk analysis software tool.

In 2018, Herco rebranded as the Risk Consulting Group or RCG and is considered unrivalled in its reputation for risk analysis, loss control and risk management programme implementation.

## Entering new markets

This rebrand represents a step change for the company, giving it a renewed focus on global risk consultancy. RCG currently operates in 11 countries and is looking to move into new markets and position itself as the premier provider of risk management and insurance solutions within the logistics and transportation, security & cyber, enterprise risk management and terrorism areas.

## Expertise, experience and innovation

RCG is led by Jorge Luzzi, one of the best-known risk managers in the world, and has a multidisciplinary 20-strong team of consultants with vast risk management experience covering many areas. This ensures the company can provide a global service to diverse industry players.

“This is an important move towards strengthening our position in five continents. It clearly identifies us as a risk consultancy and underlines our expertise and efficacy. Our new brand name repositions us, confirming our multinational scope, attracting potential customers in new markets. We want to demonstrate that, as a company, we speak multiple languages, can adapt to different circumstances and share our expertise and innovative resources, while being responsive and flexible to customers’ needs, regardless of their business or location,” says Jorge.



## Reliable, trustworthy and innovative

### Interview with Jorge Luzzi RCG President

For Jorge, risk management is a key element of any company's business and there's a need for specialist support to ensure continuity and sustainability. RCG has a reputation for being reliable, trustworthy and innovative and collaborates with clients, working efficiently to identify, evaluate and mitigate risks. "The outcome of this process is security. After all, when you improve a client's physical and material security, you drastically reduce the likelihood of incidents and, even if bad things do happen, the damage will surely be minimised," Jorge affirms.

#### Is risk management important to every company?

Every single company, no matter how big or where it operates, must carefully assess its risk exposure and define strategies for risk mitigation and/or risk transfer.



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Risk management is essential to a business and it should form part of any company's strategy. Large corporations and multinationals already have risk managers in their teams and additionally rely on risk consultancies to complement their in-house work.

As SMEs often have limited human and financial resources, it's unlikely they'll employ a risk manager. Instead they outsource this function to specialist risk consulting and enterprise risk management companies like RCG.

This solution gives clients continual monitoring by a specialist team who understands the business and can share their latest knowledge and best practice examples. Clients also have access to state-of-the-art software, making risk management easier.

#### **Is Risk Management the same in every country?**

Risk Management is a technical process that's applied in the same way across varying locations. The general concept is similar everywhere, as is a person's concept of risk. However, every market presents its own challenges because each one has its own economic, social, legal, regulatory and political environment. Some places in the world face the threat of terrorism, while others, like California, Chile or Peru face greater danger from earthquakes.

Multinational companies however require a more complex analysis. There's a need to design a structured, focused, tightly-controlled strategy that crosses international boundaries and covers every market where a multinational company operates. A global programme ensures compliance with national legislation, cohesiveness, worldwide consistency and a greater control over risk management, which in turn brings more cost efficiency.

#### **How do you see the role of risk managers in the future?**

I believe that companies from whatever background (even state-run businesses) will want to implement sustainable risk management solutions. I'm talking about all kinds of risks, not just the kind you transfer to the insurance market. Risks that cannot be transferred will require carefully-developed contingency plans, as well as crisis management teams.

Risk management associations, both national and international, play a very important role in contributing to the development of excellence in this field and advancing knowledge and information-sharing.

Currently, risk management is a field in which many professionals, like lawyers and engineers, want to specialise in as it complements their original training. I don't doubt risk management will be included on more university curricula in the future which means we'll see a substantial increase of professionals in this area.

I firmly believe risk management as a profession is here to stay. So service providers (such as RCG) and other specialists that prepare for the future will help companies be stronger and more sustainable. •

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