

Culture and Values

An Interview with Patrick G. Ryan,
 Founder, Chairman and Chief Executive Officer, Ryan Specialty Group



Patrick G. Ryan

EDITORS' NOTE A widely-respected entrepreneur and global insurance leader, Patrick G. Ryan founded Ryan Specialty Group (RSG) in 2010. Prior to launching RSG, he founded Aon Corporation and served as its Chairman and CEO for 41 years. At Ryan's retirement, Aon had more than 500 offices in 120 countries, generating revenues in excess of \$7 billion. Ryan has received a number of accolades throughout his career. In 1987, he received the Horatio Alger Award. In 2008, he was inducted into the American Academy of Arts and Sciences, was elected to the International Insurance Society Hall of Fame and received the Ernst and Young Entrepreneur of the Year™ Lifetime Achievement Award. He was named by Brigham Young University International Executive of the Year for Corporate Integrity. Distinctively, Ryan was inducted into a second industry hall of fame in 2019, the Automotive Hall of Fame, for the impact his first company, Ryan Insurance Group, had on the automotive industry.

Other career tributes include Insurance Leader of the Year, College of Insurance, and the Insurance Federation of New York's Free Enterprise Award. Ryan has been a member of

Northwestern University's Board of Trustees for 42 years, 14 years of which he served as Chairman. In 2009, Northwestern awarded him a Doctor of Humane Letters degree. Also that year, Ryan was inducted into the Northwestern Athletic Hall of Fame. Four years later, he received the Northwestern Alumni Association Medal of Honor. Ryan also served as Chairman of the Chicago 2016 Olympic Bid Committee.

COMPANY BRIEF Ryan Specialty Group (ryansg.com) is an international specialty insurance organization that provides innovative solutions for brokers, agents and insurance carriers. The RSG family includes a wholesale brokerage operation, RT Specialty (RT), and a collection of managing general underwriting companies within RSG Underwriting Managers (RSGUM).

As an entrepreneur that has built leading companies, how critical is culture to the success of a company?

I think that culture differentiates companies. I believe that culture always trumps strategy in that cultures are not easy to build and you don't adjust the culture. You either create it

or change it. It takes time to change a culture. It's easier to create a culture from scratch than it is to change one. Strategies can be changed. In fact, we all change our strategy through modifications and adjustments as external factors change, but culture is fundamental.

I've always believed that culture is critical. The first company that I founded specialized in automobile dealers, and we set up a culture that was the foundational strength of the company. That company is now owned by Assurant and is 56 years old and still going strong. I was asked to speak to their group on the 50th anniversary, and Assurant's senior management was there. They came up to me afterwards and thanked me for having established that culture, because they said that the culture was still there and thriving as the foundation of the success of that company.

Part of the culture that we have adopted in Ryan Insurance Group and now in Ryan Specialty Group is entrepreneurship. That then leads to innovation. When you thrive on creativity, you attract different kinds of people with the motivation to be entrepreneurs. Being entrepreneurial often doesn't come from a single person, but from a group of people who are entrepreneurial. They work together to create and build, and they retain the entrepreneurial spirit of building.

The current phenomenon of entrepreneurs flipping companies and becoming serial entrepreneurs never appealed to me. I feel the real definition of being an entrepreneur doesn't just involve creating, but creating, then building and sharing. If all you do is create the idea and then turn it over to somebody else, that's not the fulfilling entrepreneurial role that I believe is the most satisfying.

In each one of my ventures, teamwork has been a critical part of the culture, and we have a very team-oriented culture at Ryan Specialty. We've always prided ourselves on giving people opportunity. The culture itself allows and encourages people to self-optimize. We've always believed in having a diverse workforce.

These are values that people around the world can embrace, and we globalized those values across borders very nicely and easily.

Do you feel that entrepreneurship can be taught or is it something that you have to be born with?

I think many entrepreneurs are born with it. I believe I was. I remember when I was about seven years old telling my mother that I wanted to start my own business, and I wanted to make

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\$50,000 a year. I always wanted to be an entrepreneur. I created a business when I was in college at Northwestern that was quite successful and that's why I went into the insurance business. I didn't have any capital, but I saw that sweat capital and sweat equity would allow you to be an entrepreneur because of the fragmentation within the insurance industry.

However, I also feel that you can help people find their entrepreneurial persona, and I've seen a lot of people become entrepreneurs well after they were established in their career. Several friends of mine worked at IBM in the '50s through the '70s. They gained technical expertise at IBM and then started businesses when ideas came to them from their IBM experience and they saw an opening in the market.

I tell people who are starting out to go into a company they find interesting and like. They need to keep their eyes and ears open, and see what people are doing. They will then discover things that they agree with and things they disagree with. From that, they can come up with ideas on how to improve what they're doing with the knowledge they've gained in that industry, and they can then go out and become an entrepreneur. Today, there's so much capital available for entrepreneurs that it's really about finding the niche product and having a better idea.

Do you ever think about slowing down?

I have the ability to slow down, I just don't want to and I'll tell you why. People ask, "Why don't you retire?" I say "Okay. What would you have me do?" They mention community work and going on boards and doing philanthropy. I say, "Well, I do all of that now, and I have time for my business and I have time to build a company that is impacting many people."

I've never been good at just being occupied. My physical health, my mental health, and my emotional health are enhanced by my being in business. I honestly believe that the challenges that we face every day and evaluating problems and meeting opportunities keeps your mind alert and keeps you viable. I'm a competitive person, and just stepping out of competition would be really tough on me. I like to win. I like to create. I like to build.

Do the skills that made you successful in business translate to being effective in philanthropy?

That is a great question, and it's the first time I've been asked that. They're quite similar, because you want to be impactful both in

business and in philanthropy. I didn't sign Warren Buffett's and Bill Gates' very good plan called The Giving Pledge to give half my estate to charity, because we're going to do more than that. Half is not enough for us, and I don't want it to wait until after I pass. I want to see the impact.

In philanthropy, you need to understand where you can make an impact and a difference in things that interest you. It shouldn't be about waiting to do it through your will. In our case, the gratification is seeing the impact, and then just like a strategy in business, you run audibles and tweak it.

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We went from a really heavy focus on urban education for underserved minorities which we still support, but we saw educational opportunities in other areas like culture. We now have The Patrick G. and Shirley W. Ryan Opera Center at the Lyric Opera which trains young singers. At the Art Institute of Chicago, we have The Patrick G. and Shirley W. Ryan Learning Center.

We also do a lot in tying education into scientific development. We fund research with the multiplier effect of involving scientists from different universities and different hospitals collaborating and bringing in the data that they've developed and their particular base of expertise. This collaboration with people from other disciplines allows us to get the multiplier effect of their ideas, their past, their work and their data.

We look at philanthropy as work, and we really hit the multiplier effect in education. Every time you help a disadvantaged child get an education, whether in grammar school, secondary school, college or university, there's a huge multiplier effect from all the people that are impacted. We take that principle of our business and apply it to our philanthropy.

Do you take moments to reflect and appreciate what you've been able to build and accomplish during your career or are you always thinking about what's next?

I do reflect because it gives you the adrenaline and the lift to keep expanding. I had a meeting with one of our superstars recently. This guy is achieving things that I've never seen achieved in the industry. He's 42 years old, and it's a thrill to hear him discuss how he's benefited from the culture, how he's benefited from the experiences, and how committed he is to help us build this enterprise. He has been able to build his part of the business with the multiplier effect by bringing in kids right out of college and making them productive very quickly. This is a marvelous thing to watch, and innovation is at the very heart of what he does and how he differentiates himself and his team. I got all fired up talking to him, and then he told me how important my leadership was and the values of our culture. It's so gratifying to see somebody who is living all of that and sharing it with so many others, and you really do see the value of what we have achieved and its sustainability and potential to expand. ●