VIEWPOINTS

REPUTATION MATTERS

PROFILE: GEETHA KANAGASINGAM

Barclays' vice-president of group risk has an enormous region of diverse cultures to manage, but treats them with the same robust process

CV

- Geetha Kanagasingam was born in Kuala Lumpur, Malaysia. She is certified by the UK Association of Chartered Certified Accountants and is also a certified internal auditor with the US Institute of Internal Auditors. She has a Masters of Business Administration from the U21 Global School for Global Leaders in Singapore.
- She worked for Cadbury and Singapore Airlines, before joining Barclays as the regional head of group insurance for Asia Pacific in 2009.
- She is treasurer of the Pan-Asia Risk & Insurance Management Association (Parima).

IT'S SAFE TO SAY THAT GEETHA Kanagasingam is the sort of person who tackles challenges head on. Her mantra of 'later is not sooner' is indicative of her natural instinct to take action, and to take it quickly. So it is fitting that the management of risk is Kanagasingam's professional calling. After all, she says, "risk is an inescapable part of our lives and part of doing business". "Whether you like it or not, you cannot run away, so ignoring risk or not taking action, will only bring greater pain."

The Singapore-based vice-president of group risk at Barclays Bank is tasked with ensuring compliance of the systems and processes employed across Barclays' businesses in the Middle East and Asia Pacific. "I'm responsible for the countries in these regions in providing expert insurance and risk assessment advice across all business lines and corporate functions within Barclays," she explains. "This includes the placement, design and execution of effective risk-management strategies, insurance programmes that are fit for purpose and business needs, the management of claims and loss reporting."

Malaysian-born Kanagasingam is also a founding board member and the treasurer of the Pan-Asia Risk & Insurance Management Association (Parima), an organisation that she says has been set up "by risk managers for risk managers". It represents and supports its members by enhancing awareness and effective use of risk management, insurance and risk financing, she says. "Our aim is to bring together risk managers and share experiences; after all, that is where great learning comes from. Just like iron sharpens iron, you learn from one another."

Risk professionals operating in Asia have to sharpen up and stay at the cutting edge of their profession if they are to cope with the region's myriad business, cultural and climatic

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Geetha Kanagasingam Barclays

challenges. "Asia Pacific is so diverse, so the maturity level [or risk management] definitely varies, not to mention cultural differences, the mindset," Kanagasingam says.

"Having said that, you have to drill down. In the more mature nations like Singapore and Hong Kong, the companies are already regulated, so they do have some level of maturity in terms of risk management. Not to mention financial institutions where regulatory scrutiny is at its peak.

"But then you have the unlisted companies where there is much more room for improvement. In countries like Malaysia, Indonesia, China and Taiwan, there is a lot of room to grow."

Kanagasingam says the trick is to approach every market, whether developed or emerging, with the same "robust, thorough process". "It's not two different processes for developed and developing nations," she says, "but of course the exposures we identify in a developing nation will tell you the difference in risk that we need to address in order to expand or operate there."

In her role at Barclays, Kanagasingam applies a comprehensive risk-management cycle that incorporates "risk identification, assessment, control, reporting, manage and challenge". "In this process, there are various stages that go through the committee review and the approval of departments, so you have compliance, risk and legal," she says. "For a developing nation you would probably identify more issues, more risk."

Local regulations

Barclays' expansion into India is a case in point, Kanagasingam says. "The regulations in India differ from other countries, and the requirements are quite stringent for setting up a business to operate there," she says. "So the team comes to me and, from a risk perspective, I look at what insurance we need to put in place to make sure we comply with local regulations."

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» Her previous experience working in the Asian operations of Cadbury, Singapore Airlines and PwC places Kanagasingam in a prime position to appreciate the wide scope of risks faced by companies operating in the region. But she actively resists the temptation to categorise those risks. "The general categories of risk do not differ between corporates, it's just semantics what you call them," she says. "But the top risks that I would say affect large corporates would be your product performance risk, your legal and regulatory risk, people risk, financial risk, credit risk, security, IT, intellectual and, last but not least, reputational risk."

Kanagasingam is clear about the importance she places on reputation, calling it "the most valuable and fundamental asset of any company". "If you don't control or manage risk effectively, your reputation is at stake, and the impact is great." Reputation can be evaluated in many ways, she adds. "You look at many attributes, which may include quality of management, quality of your products and services, and even ability to attract and retain talented people."

Big dreams

Kanagasingam is skilful at wielding her influence as she did to secure the renewal of a standalone local policy in Japan at a commission rate significantly below the average. And then there have been more wide-ranging achievements, such as sensitive decisions involving key policy management in Pakistan of which Barclays' business team were highly appreciative.

"And there was a global travel programme that was a major project," she says. "Working with the relevant teams and constrictions that exist, I put forward a proposal for the global travel management team which proved the best option."

Kanagasingam admits she has always aimed for the top. "As a kid I wanted to be someone famous, to be someone who excelled," she says, laughing. "If I aim to do a certain thing, then I'm going to be the best at it. I am a person with big dreams." **SR**

Boardroom must set example

Boardrooms in Asia will turn more to risk professionals to help them focus on their firms' futures, says Kanagasingam. "Due to the present economic climate and catastrophes, one way or another risk management finds its way to the board agenda," she says. "But then the question is how much time or in-depth discussions do boards have on this agenda item? Sometimes I see it appearing there, but guess only two to three minutes is spent on it."

Kanagasingam says that awareness and education "should actually begin at the boardroom level", and that risk managers should have a direct channel to the board.

But beware talk about risk frameworks, which Kanagasingam warns are often put in place simply to "fulfil regulatory requirements that generally outline what you must have but not how to implement it. You may have a mature framework, but is it effective?" she asks. "The same can be said for annual reporting; the effectiveness is questionable. For example, when a risk register is only reviewed once a year, and seen as an administrative rather than strategic task."

A risk as well as an opportunity

In true risk manager style, Kanagasingam sees Asia's increasing natural catastrophe exposure as both a risk and an opportunity.

"The increasing severity and frequency of catastrophes in Asia – and predications of more to come – I would say is good and bad in terms of affecting day-to-day management of risk," she says.

"The bad is, of course, because the insurance world is global, so a major catastrophe in one territory inevitably affects the overall insurance premium cost. Insurers also take the advantage more often than not to alter the renewal terms against the favour of the insured and reduce coverage even further. In protecting themselves, our protection reduces.

"Having said that, the good point is it's an eye-opener for corporates to increase their resilience to natural disasters. Having insurance is not enough; you need to build your own resilience as a corporate, because these disasters are a true test of survival.

"You've got to have recovery sites outside areas, you have to reduce your focus on one critical supplier – you've got to spread your risk, spread your dependence."