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The American International Group (AIG) was started 93 years ago by a person called Cornelius Vander Starr In Shanghai China as a general insurance provider. Since its establishment, AIG has grown to become an excellent insurer. Up to date, AIG is focus on what Cornelius Vander Starr called the knowledge and ability to meet the desires of its clients.

## Organizational Structure

The company's organizational structure comprises of chief executive officer, Executive vice president, Senior vice president Chief Operations & Systems Officer, Chief Financial Officer, Chief Operations & Systems Officer, Executive Vice President Investments, Executive Vice President Treasurer, Executive Vice President Chief Risk Officer, Senior Vice President Global Head of Asset Management, Senior Vice President Corporate Communication and the board of directors.
The CEO is responsible in implementing AIG’s vision, mission, outcomes, and goals. He is the secretary to the board of directors. Executive vice president represents the CEO in function that the CEO is not in a position to attend due to conflicting functions. He also chairs the dispute resolution committee. Senior vice president also the Chief Operations & Systems Officer is the person in charge with company’s operations welfare. His work is to ensure that all the company’s department operation are working towards the organization goals. Chief Financial Officer is accountable for the organization financial management Him together with the treasurer are accountable for the organization spending and earnings. They account for any amount investor put into the company. Executive Vice President Investments are the person in charge of the company’s investment plans. His duty is to identify new opportunities in the market and ensure strategic plans on how new investment are managed. Executive Vice President also known as Chief Risk Officer is responsible in risk management of the organization. Senior Vice President Global Head of Asset Management is the asset officer of the organization. His role is to account for new purchasing of retails, offices, and repair of old furniture and structure within AIG. Senior Vice President Corporate Communication is the head of the communication department. His role is to ensure there is good communication within and outside the organization while the boards of directors are responsible in resolving disputes within the organization. The board of director is responsible in providing directives for the organization and appointing, promoting, and hiring company’s officials (Greenberg, 2013).

## Mission and vision

AIG’s mission is to provide insurance service to all individual and cooperate all over the world despite their earning. Additionally, our plan is to provide quality service to all our clients. The organization's vision is to provide quality insurance service to client all over the work and become the most successful insurance company.

## Values and goals

AIG’s values are working smart and looking forward to achieving excellent performance for the company and its clients. This is by providing affordable insurance services all over the world. AIG goal is to offer insurance services to over 150, 000, 000 clients by the end of 2015.

## Objectives

Our objectives in the market are to offer insurance consultancy services to all our client services. In addition, we also aim to secure all our clients globally through our large team of network.

## Outcomes

AIG’s sees increased number of clients every year. In the last financial year, we have recorded 8. 5 million new clients worldwide. This number is expected to raise this after three quarters of this being achieved in the first half of this year. Increased number of shares sold out to new investors who have lifted our financial report high. During 2012, we recorded a pre tax profit of $68. 2billions thus making AIG the largest insurance company.

## Annual operating budget

In the ; the last financial year that ended on March 31st this year, we recorded the company annual budget of $13billion. This amount was distributed in the manner.
Marketing=$300, 000, 000
Salary and wages=$450, 000, 000
Purchase and Repair of old retail store=$75, 000, 000
Expansion of new centers=$125, 000, 000
Compensation plans=$350, 000, 000

## Question 2: the decision-making structure, innovation and creativity, and how the organization manages stress and change

American international group comprises of a management team and board of directors who operates or answer to the overall chief executive manager at the headquarters. The organization business operations are governed by set principles and policies as contained in the article of association and memorandum of association. The responsibilities and duty to implement the policies and putt in place required services and materials is entitled to the management team that would facilitate development of the organization. The chief executive manager is top body in terms of the decision making process. The second body in the decision making structure is the board of directors who holds the powers to manipulate or influence the growth and development of the organization.
The board of directors delegates some the powers to the senior and junior managers and other authorized committees, which assists in the entire decision making process. American international group Inc. is made up of a defined decision making structure which give all the management bodies such as managers, the management committee, and the staffs regardless of their positions the role to implement the policies of the agency. The structure is well development in a manner that allow it to cover all the crucial department within the organization hence decision making process takes a smooth procedure through all levels of the organization. It simply means that the fact that the management team has been subdivided into a committee has obtain positive result in the market because it could handles issues of different departments promptly. This kind of decision-making structure is an added advantage especially concerning their competitors (Tompkins, 2005).
Innovation and creativity in the daily operation of the agency has enabled it to penetrate the market share and outshine its competitors for example Aon. Its innovation and creativity is due to the emerging challenges facing the insurance industry and the rising demand for different risk covers. The agency has come up with innovative and creativity techniques and strategies that would enable it to penetrate into the market share. For instance, it has come up the technique of using different name in different nation to attract more clients. This therefore makes organization more competitive and recommendable in the international market. The agency has therefore set in place a body mandate to innovate new mechanism and technique necessary to improve the services throughout the globe This body innovates ways that generates more income by investing a decent amount of money in credit derivative trade and a mortgage backed security. It utilities the knowledge on the current market demand and goes ahead to development a suitable insurance rates and policies as compared to those offered by their competitors hence making it look better.
The agency has come up with another source of income that would boost the current position in the international market. In other terms, the company has set in place some new policies and rate that would be favorable to both clients taking the life assurance and property insurance. The creativity and innovatively method developed in determining the value of premium that is to be paid by any given customer has facilitated it position in the international market. It simply means that the agency uses innovation and creativity to outshine its competitor by providing a new tactic on how to tackle costumer insurance risk more effectively. In another perspective, America international group has made it way through the market by adapting to the emergence technology and giving priority to those products that calls for more attention for example life assurance. These innovations and creativity have facilitated the organization to provide a variety of solutions to problems facing the people risks in their daily activities. Innovation plays a key role in the creation of the future values of the insurance industry.
The agency incorporates suitable communication channel that would ensure there is a smooth transition of events. The entire labor force of the agency enjoys a good and conducive working environment that has facilitated proper channels of communication. The chief executive officer message reaches the lower staff in the hierarchy via the manager. The chairperson acts as the bridging gap bet the top manager to the rest of the staff. He or she communicates the intended message to the committee through different means such as memos. The information is forward to the other relevant authorities within the company. It simply means the communication follows a chain of command within the agency. The organization practices of both vertical and horizontal modes of communication, which allows the employer and employee the freedom to communicate directly to their superiors and vice versa. It also maintains a good relation with the external source in order to attain the set goals and objective. Its external communication mostly involves the potential customers and other parties, which interest in the product and services offered. The type of communication involves interpersonal communication with the client, through a third party while dealing with another organization (muith, 2009).
America international group Inc is faced with the mismatch between the pressure from the nature of work and demand from the client of the organization. It then made the entire management to team has responded to the workers' stress by appropriating the pressure according to their resources and ability. The agency has established a policy for managing the employee’s health. It addresses the issues relating to risk assessment rehabilitation and timely reaction hence focusing more on combating any risk at its source (Scott, 2007p. 34). The management team has initiated a management approach, which has effectively facilitated the process of stress management. The management major mainly on the risk that would cause stress in the organization.

## Question 3

America International Group, Inc. Company as an organization faces various challenges just as any other organization that offer services to people. As much as it has strengths that has led to the company to achieve major set goals and objectives. Its organization is known all over the world because of it’s’ excellence in service delivery, in assurance, insurance, mortgages and retirement services. It has influenced the way of living of the people who use the service for example private developers and investors have no worry of losing their business premises since they are insured.
The SWOT analysis method would be used to analyze the company in terms of its performance and challenges it faces, the weakness the organization faces concerns the cash flows for instance the ability of the organization to be able to manage the worldwide centers since it is present in about 130 countries all over the world. Another weakness concerns an effective system that would be used to trace its clients, for example in the life assurance policy of tracing the genuine clients and their data in the insurance policy. It is also paramount to adapt to the new data system to maintain. The information of its clients the organization faces concerns the management of the organization in order for it to establish a good reputation with the loyal clients and the potential client. In order for the organization to gain loyalty of their client, they need to build trust with them. The agents of the organization should ensure they follow up their clients and win over by explaining to them what they offer including the insurance services.
As a consultant, the key issue of the organization will regard to addressing the key shortcomings the company faces, because it boasts a great impact on the performance and effectiveness of the organization. For instance, concerning on the part of the clients’ feedback about the company will determine the potentiality of the organization. Failure of the company to be well presented during the exhibitions and marketing promotion of the organizations then the organization would realize low turn up of clients desiring their services. The essential policies the organization should use to ensure they curb their shortcomings include their mandate in the organization as both the social responsibility and environmental sustainability in the provision of insurance services. The organization in an effort to obtain a greater financial pool, avoid errors, and mix up of data should adopt their policy by updating their database and using the current system that is reliable in storing information and tracing individuals. The organization engages various stakeholders for example having 130 outlets worldwide offering the insurance services. In addition, the organization needs to invest carefully in the potential areas for instance, in the countries that have political stability and potential clients. It is important for the insurance company to charge affordable premiums for most people belong to the middle class (Tompkins, 2005).
Adopting the division of labor division of the organization, in this way individuals deal with there are of specialization in performing their duties in the organization. The company in the end would increase their service delivery. Division of labor is essentially important and increases efficiency in the following ways, saving the organization of extra costs, occupational specialization, and the essence of machines replacing the human labor is avoided at all costs. For the proper management strategies that need to be implemented to have a proper management structure that follow their rank and create an avenue for better management of the AIG.
If the recommended strategies and policies are followed by the organization, then it will develop further and prosper in the competitive marketing world. The organization could move to greater heights in service delivery of the insuring property. The policies are reasonable and realistic, many clients believe in organizations that are less bureaucratic and have a developed organization structure that addresses the concerns of both the employees and the clients of the organization. On the adaptation of proper data, recording system is highly recommended, since it is a key area for the success of the organization.
The benefits the organization incurs will depict its performance in the real world market. The percentage growth of the subscribed customers shoots up and the organization could be ranked among the best performing companies. Proper presentation of the organization by the agents in different countries sells the name of the AIG well. The use of brands for example sponsoring events provides a good platform for the company to capture new clients. The organization in particular engages in activities that concerns their field, they assure life, insure property, and provide retirement services to those out of the working age. The closest competitors find no room in beating the organization since it has already loyal clients and they capitalize on their strengths.
The failure of the organization of ignoring to address the weaknesses they are facing will result to its loss of clients and the share of the market. AIG is most respected companies in the world; it has sponsored various football teams including the Manchester United among other successful clubs and associations.

## Reference

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