Benfield

Post Merger Integration

www.benfieldgroup.com

Business Issue

By 2001 the Benfield Group had undergone a management buy-out in 1998, several subsequent acquisitions and a merger with major US broking house EW Blanch. The group decided to make their Initial Public Offering (IPO) on the London Stock Exchange in June 2003, and in preparation for this, Benfield needed to integrate its brand and its unique culture across all the different geographic areas under its control. The IPO was the catalyst for the creation of a single brand under the Benfield name that would optimise the value of the business and its appeal to analysts, staff and customers.

Brand Architects' Process

At the end of 2002, Brand Architects undertook a major research and analysis project in Europe and the USA to identify the group's core competitive advantages as the foundation of a brand which would unite staff and stakeholders under one name, one strategy, one vision, and one commonly held set of company values. The mergers had all been based on some commonality between the businesses, but for some, loyalty still lay with their original firms. We found that although different words and analogies were used, there was a unique culture held in common throughout the organisation. This became the brand's foundation. All reinsurance activities were housed under the Benfield name with sub brands such as specialist reinsurance and financial advisory services, branded as Benfield MSTC and Benfield Advisory respectively. This clearly defined their distinct role in the marketplace whilst drawing on the equity of the Benfield name. The organisation's characteristics were identified and then expressed in a quirky new visual language, tone of voice and an organisational brand that began at the CEO's office and extended out through Country Managers to broking and back office teams. Coherent and effective values, expression and brand architecture created a sound platform for success.

Outcome

By identifying the real heart of the business, Brand Architects helped to define Benfield's competitive advantage and create a defensible space in the market. We were also able to devise and implement a contemporary brand architecture which stimulated Benfield's enterprising and innovative spirit. In 2005, several new sub-brands were launched, including the wholly owned subsidiary, Benfield Corporate Risk. The Financial Times reported that the IPO, open to institutions only, was eleven times over-subscribed. After listing, market capitalisation rose from £579m to £844m, with a corresponding profit before tax increase of 64%, at which point Benfield was bought by Aon, who also assumed £91 million of Benfield's net debt. The offer was unanimously backed by Benfield's directors.

FT

June 13, 2003:
"Shares in Benfield, the reinsurance broker, will be priced at 250p today ahead of their launch on the London Stock Exchange next Wednesday. Market sources said the initial public offering, which is open to institutions only, is 11 times oversubscribed."
Robert Orr and Alex Skorecki

June 14, 2003:
"Benfield ended its first day of trading on the London Stock Exchange 12 per cent higher, sparking talk of renewed interest in the new issues market."
Robert Orr

August 22, 2008:
"Benfield on Friday agreed to an offer from Aon, the US insurance group, that values the reinsurance broker 350p a share or £844m and represents a 29 per cent premium to the previous close."
Jennifer Hughes

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