

INSIGHTS

Risk Management on Demand With David Gresko of Strategic Risk Management Services LLC

March 24, 2022

By: [Vincent E. Morgan](#)

On this episode of Bracewell Covered, host [Vince Morgan](#) discusses risk management with David Gresko, owner of Strategic Risk Management Services LLC.

You are doing what is at the vanguard of risk management these days, which is risk management on demand. Tell us how your career has evolved and how you got to where you are.

I am a mechanical engineer by degree. When I got out of college, I went to work for an oil and gas company in their projects group. I was managing design and construction of offshore platforms. That job was based in Dallas. While I was in Dallas, I looked around for business schools and I ended up at SMU and got my MBA. About that time, I moved to the chemical division of the company, ARCO Chemical. I was still in projects, but after a couple years I was moved into the finance organization. Then a few years after that, back into projects, but then ARCO got bought by Lyondell Chemical, so I got back into finance with Lyondell.

I moved into risk management in 2004, and I've been there ever since. I was the risk and insurance manager for Lyondell, and then LyondellBassell. Then I moved over to Dynegy and I was the director of risk management for Dynegy. I finally ended up at Noble Energy. When Noble got bought by Chevron, we mutually agreed to part ways and I started my risk management consulting company.

Tell us about your risk management consulting company.

One of the things I noticed working for Noble is that we dealt with a lot of big and small companies. I noticed the smaller companies, especially a lot of small midstream companies, didn't have a risk and insurance department or even a contact person. It was typically assigned to the treasurer, the chief accounting officer, someone in accounting, sometimes even someone in legal, but they didn't have a background in risk and insurance. That convinced me that there are small companies out there that need risk management expertise, but they don't need a full-time risk manager. So, that's how I got into the consulting gig.

Do you have a stable of regular clients that you do a set amount of work for, or is it more on demand than that?

It's more on demand than that. Typically when I get hired, they'll come in and say, "Can you help us with this?" I'll start working with them on that. Then they might come back and say, "Hey, when you get done with that, can we look at this too?" I'll just keep going and when all

that work is finished, I just step aside. That's the purpose of being an on-demand risk manager.

We're hearing things about people wanting to start up captives and risk retention groups. Are you seeing a return to alternative risk management approaches?

You are seeing a rise in companies that don't have them looking at setting up captives because one of the things the captive can do is plug gaps in your program. A captive can access the reinsurance markets that you might not necessarily be able to get to if you don't have a captive. When I was at Noble, we had a captive in Bermuda and a Texas-based captive. We were looking at what stuff could we pull into the captive and run through there to save money. Again, you want to exercise the captive to the greatest degree to get the most financial benefit for your company. I actually ran a captive exercise for one of my clients. We came to the conclusion from a financial standpoint that it saves money, but it doesn't save enough money at this point to justify all the administrative rigmarole you got to go through to run the captive.

As you look back at how you got into this space and then what you've done and what you're doing now with your new role, do you have any guidance for younger folks along those lines that you might want to pass on to the next generation?

You should always keep your options open. A lot of companies, when they're trying to fill risk management roles, tend to want to focus on the younger people because they want to hire someone who's going to be there for 20 years. In consulting, you want to hire the person with all the experience. The worst thing that a company can do is hire a consultant who says, "I have no idea what you should do right now." They didn't hire you to tell them, "I don't know." They hired you to lay out a path or a couple of paths that they should consider, and say, "Here are your choices."

Have questions about insurance recovery and risk management? Contact [Vince Morgan](#).

The opinions expressed in this podcast are those of the speakers and do not necessarily reflect the viewpoint of their institutions or clients.