



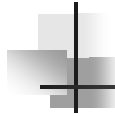
In Search of the Entrepreneurial Actuary

Session Two
Society of Actuaries Spring Meeting Seattle
Dr. Sandra Coyne-Westerkamp



Agenda

- A Look at Entrepreneurs
- Entrepreneurs do the unbelievable
- Actuary + Entrepreneur =
- Evaluation of lost and gained opportunities
- When and why to go out on your own
- Considerations



Agenda (continued)

- What an actuarial entrepreneur has to do
- The dreaded Business Plan
- The top ten reasons why entrepreneurs succeed
- Questions and Answers



A Look At Entrepreneurs

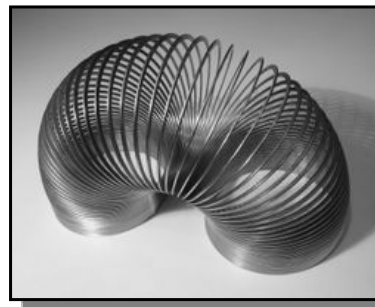
- Enthusiastic vision
- Not just an idea but a concept that can be commercialized in the marketplace
- Blueprint to the vision is clear, but details remain evolving as the enterprise becomes real
- Passion, enthusiasm

Entrepreneurs

- Persistence and determination to transform the vision into reality
- Responsible to make the enterprise a success
- Prudent risk taker
- Orientation to excellence
- Positive thinker and decision maker
- (Burch, J.G.) (1986, September). *Business Horizons*

Entrepreneurs in Action

- The slinky
- Created by Richard James, a naval engineer in 1943
- Experimenting with tension springs and the "spring walked" and a toy was born
- Called a slinky, a Swedish word meaning "stealth, sleek and sinuous"





Entrepreneurs in Action

- 1943 (apparently a very entrepreneurial year!) James Wright, an engineer was attempting to create a synthetic rubber
- His creation was a failure and then a salesperson from Dow Chemical used it to entertain customers
- 1957 and Silly Putty was born!



Entrepreneurs in Action

- Spencer Silver, a chemist in 1970 tried to develop a strong adhesive
- Weaker than current adhesives, this new adhesive seemed like a loser
- Years later, Arthur Fry, a colleague of Silver's was singing in the church choir and used the adhesive on some papers to hold his place in the hymnal and Postits were born!



Entrepreneurs: attitude and behavior

- Attitude
 - got to be a better way!
 - not conforming
 - embrace innovation
 - failure is learning
- Behavior
 - innovate
 - tolerate risk
 - guerilla actions
 - Look past the stereotypes to the stimulus!
 - seek out new ideas for products, services and processes



Actuary + Entrepreneur=YOU?

- Can you:
 - Step out of your comfort zone?
 - View your professional role on a more global basis?
 - Maintain a high threshold for risk?
 - Can you market yourself and your abilities?
 - Can you network effectively?



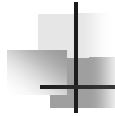
Actuary + Entrepreneur= YOU?

- According to Jawwad Farid, an Entrepreneurial Actuary, actuaries are accustomed to failure
 - Used to uncertainty
 - Risk tolerant
 - Action oriented
 - Trained to analyze
 - Structured response
 - Aware of and working to avoid *analysis paralysis*



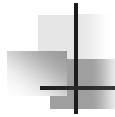
What have you got to lose?

- Opportunity costs
- Corporate life: regular paycheck, benefits, vacations,
- Own enterprise: paycheck when you make it, vacations and benefits to be determined
- What do you get in exchange? Power of choice, dependence on own ability, potential to reap the benefits of your hard work
- Ability to give yourself a raise



When and why to get out on your own

- Not for everyone
- But if you are thinking about your own enterprise consider the following
- Assess the gap between:
 - What you want vs. your capabilities
 - What drives vs. what satisfies you
 - Your values vs. the organization's
 - Can you overcome the differences?



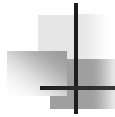
When and Why to go out on your own

- Do you know the difference between what you want and what you are good at?
- Do you know what drives you and gives you satisfaction?
- Do you know what your values and priorities are, what your organization's values and priorities are and can you identify the differences between the two?
 - Fast Company



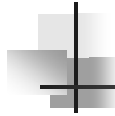
Considerations

- Think about your resources, you do have them!
 - Physical resources (office, space)
 - Relational (contacts, customers, etc)
 - Organization
 - Financial
 - Intellectual resources
 - Technology



What an actuarial entrepreneur has to do

- Meet all the city, state, and federal guidelines in terms of beginning a business
- Set up the business and hire complementary skills
- Set up the capital requirements, make sure there is sufficient financial backing
- Don't allow cash flow to be problematic



What an Actuarial Entrepreneur has to do

- Determine a marketing strategy and follow it
- Set up benchmarks for anticipated business and controls to remain proactive
- Never underestimate the competition or the substitute products



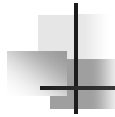
The Dreaded Business Plan

- “People don’t plan to fail - they fail to plan”
- Business plan is your story of your direction and your anticipated financing intended to craft your business future
- Who wants it?
- Who needs it?
- Where can it take you?



Top Ten Reasons Why Entrepreneurs Succeed

- Willingness to succeed
 - Self confidence
 - A clear business idea
 - The business plan
 - Exact control of the finances
 - Targeted marketing
 - Competitive advantage
 - Management support
 - Cooperation
 - Clear company structure
-
- Ryan and Hiduke (2006)



Questions and Answers



Consider this.....

- "The Bigger Yes is having something more important driving you-that gives you the courage to stand up to fear and anxiety"
 - Stephen Covey

- "Courage is not the absence of fear but rather judgment that something else is more important than the fear"
 - Ambrose Redmond