

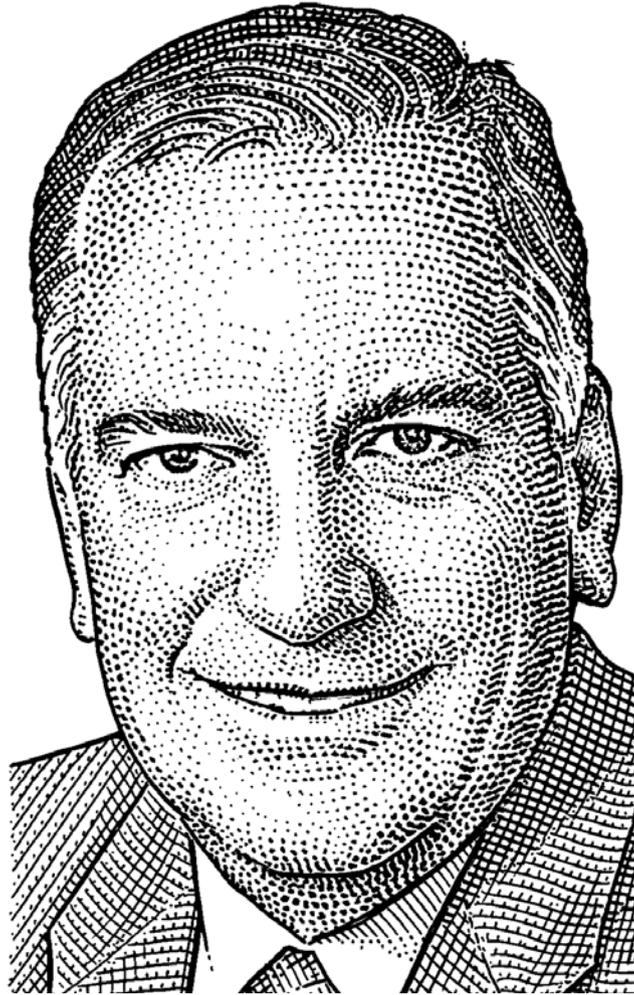


SOCIETY OF ACTUARIES

Article from:

# The Actuary Magazine

June/July 2010 – Volume 7 Issue 3



Interview

## BRADLEY M. SMITH DO THE RIGHT THING

BY JACQUE KIRKWOOD

*Bradley M. Smith, FSA, MAAA, has been a consultant for more than 20 years. During that time he has learned some very valuable lessons: celebrate your victories, learn from your defeats and always try to do the right thing. In this interview, Smith discusses his business philosophies, the risks he has taken, and his new book, What Do You Think? Preparing for the Question that All Clients Ask. (See page 42 for more information)*

**Q: What has been your most memorable achievement on the job?**

**A:** Two things come to mind. First, helping clients to attain their objectives and succeed has been enormously satisfying. Fortunately, I have had the privilege to work with a number of very successful individuals and organizations throughout

my career, each of whom has given me the opportunity to contribute to their success. Secondly, being elected chairman of Milliman by my professional colleagues was a great honor. It is also a tremendous responsibility, one I take very seriously. It is probably the most important and satisfying thing that I will do in my commercial career.

**Q: Would you still pursue a degree in actuarial science if you could turn back the hands of time?**

**A:** Given my inability to hit a curve ball, absolutely! Actuarial science has allowed me to lead a very fulfilling life, both professionally and personally.

**Q: What is the most important lesson you've learned in business?**

**A:** It sounds trite, but your life and career are marathons, not sprints. Be positive. Focus on your long-term goals. Celebrate your victories, learn from your defeats and always try to do the right thing.

**Q: Who are some people who have influenced you during your career? How so?**

**A:** A number of people from Milliman stand out. Bob Collett, Greg Jacobs, Lynn Peabody and Walt Rugland were all very instrumental in bringing me to Milliman and all contributed to my success, once I was on board.

However, the two people who have had the greatest influence on my life and my career are my dad and my wife, Karen. My dad worked for a small insurance company in Chicago. He carpooled with the chief actuary of the company. That is how I learned about the actuarial profession. More importantly, he was constitutionally incapable of being dishonest, untruthful or disloyal. Karen is the person whose judgment, with respect both to people and business, I trust implicitly. She also has the uncanny, seemingly effortless ability to keep me focused on what is important, both professionally and personally.

**Q: What about the actuarial training you received prepared you most for the business world?**

**A:** Developing the analytical skills necessary to become an actuary prepared me for some

## Work on your weaknesses more than your strengths.

of the challenges I have faced in my business career. Additionally, the discipline required to make it through the exam process has proven to be quite valuable. Actuaries are an incredibly bright, intelligent group of people. Being surrounded daily by such intellectual curiosity is both a challenge and a privilege that has benefited me immeasurably.

**Q: How has the actuarial profession changed since you first came aboard?**

**A:** When I started my actuarial career in the late 1970s, the focus was primarily on determining expected value. Due to both the expanded computing capability and a greater awareness of the nature of risk, actuaries now focus more on the "tail" of the probability distribution. Partially due to this, actuarial discipline is now being applied to a much broader spectrum of issues than it was in the past. Continued expansion of the application of actuarial principles beyond the world of insurance and pensions will drive the growth of the actuarial profession in the future.

**Q: What are some of the most significant risks you've taken during your career? What did you learn?**

**A:** At the time, I thought joining Milliman to develop a life and health actuarial practice in Dallas was a big risk. I was vice president and

chief actuary at a medium-sized life and health insurance company and was quite secure in my position. That company was eventually sold and many seemingly "safe" positions were eliminated. Joining Milliman was the least risky course I could have taken. Professionals who join Mil-

liman are limited only by the strength of their intellect, the depth of their character and their desire to pay the price necessary to succeed. Sometimes, the path that appears to be fraught with the most risk is, in reality, the least risky.

**Q: Describe what you would call a truly satisfying day.**

**A:** A perfect day for me consists of accomplishing something meaningful professionally, truly advancing the ball on a project or assignment, spending time reading and exercising as well as relaxing with my family and friends.

**Q: In general, what advice would you offer to up-and-coming actuaries?**

**A:** Work on your weaknesses more than your strengths. Accept any opportunity to travel or work internationally; it will give you a much broader perspective. Read; it will make you a better communicator. Expand your knowledge into other disciplines (e.g., accounting, law, medicine, finance, economics, IT); it will differentiate you. Always do the right thing, no matter how difficult it is at the time. ▣

---

**Bradley M. Smith, FSA, MAAA**, is chairman of Milliman, Inc. He can be reached at [brad.smith@milliman.com](mailto:brad.smith@milliman.com).

**Jacque Kirkwood** is a senior communications associate at the Society of Actuaries. She can be reached at [jkirkwood@soa.org](mailto:jkirkwood@soa.org).

# From Pen to Paper ...

BY JACQUE KIRKWOOD

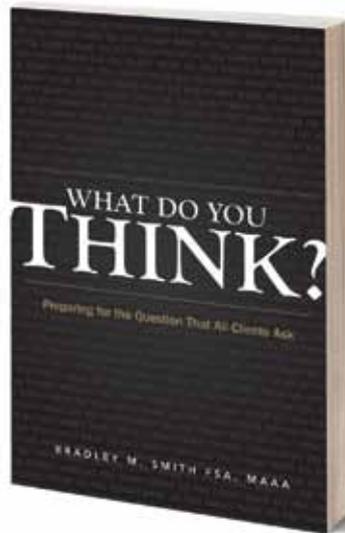
Throughout his professional career Brad Smith has given many talks to various groups: high school and college students, graduate students, and young professionals just entering their careers and seasoned veterans. After many of those talks, people often asked him for copies of his remarks. He opted to write a book, *What Do You Think? Preparing for the Question That All Clients Ask*.

## THE QUESTION

“Hopefully students and professionals in the early stages of their career will extract something meaningful from the experiences of a career that has spanned more than 30 years,” said Smith. “For the seasoned professional, the book is the equivalent of ‘batting practice.’ Maybe it will remind them of things they already know but have forgotten along the way. A few of the takeaways include the need for clear communication before, during and after the engagement; the importance and power of disclosure with respect to communicating any potential conflicts of interest you may have; making a commitment to lifelong learning; and achieving a sustainable long-term work/life balance.”

The underlying premise of Smith’s book is that all clients ask the same question, “What do you think?” The implications of that question include the requirement to have a particular technical expertise that clients or potential clients need. However, the author contends that this is not enough.

“Your potential clients need to know that you possess that expertise,” he said. “This may entail writing papers, publishing articles or giving speeches to pro-



fessional or industry groups. Additionally, once engaged, you need to be able to communicate your findings in simple, straightforward language, both verbal and written, that nonexperts in the subject can understand. Finally, although seemingly obvious, you need to think. A deficiency in any of these four requirements typically leads to a less than successful career.”

## INVEST

According to Smith, it’s essential to make lifelong investments in learning. The most successful professionals, he says, are the ones who have knowledge and expertise outside of their chosen specialty.

“For actuaries, understanding accounting, business law, economics, IT, finance or medicine can help you bridge the gap between actuarial and other issues or considerations,” said Smith. “This capability to learn and understand various other busi-

ness topics differentiates you from others in the profession. And knowledge in other areas goes a long way with your clients.”

## LISTEN

He also stresses the importance of finely tuned listening skills.

“Perhaps because it’s less obvious and underrated, I believe that one of the most important skills for any consultant is the ability to listen effectively,” he said. “Most consultant-client disputes arise not because the consultant did poor work. Rather, it’s typically a case where the consultant answers a question that the client has not asked or fails to answer the question that the client has asked.”

## THE RIGHT THING

Smith writes about the necessity of integrity in one’s work.

“Doing the right thing, even when no one is watching, is the working definition of integrity that I adopted in this book. If you cannot be trusted, you will not succeed over the long run. Always work to maintain the highest level of ethical behavior in everything you do.” **A**

**Jacque Kirkwood** is a senior communications associate at the Society of Actuaries. She can be reached at [jkirkwood@soa.org](mailto:jkirkwood@soa.org).

*What Do You Think? Preparing for the Question That All Clients Ask* by Bradley M. Smith is available for purchase by visiting the SOA website at [www.soa.org/buybooks](http://www.soa.org/buybooks).