



THE INDEPENDENT CONSULTANT



Share

Print-Friendly
NewsletterSearch
Back issues

CONTENTS

[Issue Notes from the Editor](#)

by Bill Ely

[From the Chairperson-Check Us Out!](#)

by Larry Stern

[Book Review: Self Promotion for Introverts®](#)

by Nancy Ancowitz

(Reviewed by Ruth Ann Woodley)

[Write the Right Kind of How-To Article](#)

by Carl Friesen

[Talent Acquisition Is More Important and Complex in Recession](#)

by Douglas Reiter

[Is Self-Insurance the Right Choice for Your Practice's Short-Term Disability Program?](#)

by Jim Mooradian

[Negate Failure and Legal \("N-F-L"\) Optimizing Player Decision-Making in the National Football League \(NFL™\)](#)

by Nickolas J. Ortner



The Birth of an Independent Actuarial Consultant

by John Dante

Have you ever dreamed of becoming an independent actuarial consultant? What if you found yourself in a situation where becoming an independent actuarial consultant was the only option you had to continue to provide for the needs of your family? How would you go about this? What would you need to do? What obstacles would you face and how would you overcome them? What are some strategies for becoming a successful independent actuarial consultant? After 29 years working as an actuary for three different commercial insurers, I have decided to make that leap recently and I would like to share with you what I have learned.

[How Did I Get Here?](#)

In today's volatile economic environment, there are no guarantees in terms of longevity with a particular employer. While there may be many positions available on a recruiter's Web site, what if you find that very few if any are a fit for you? What if that perfect position requires relocation and that is not possible due to your family situation or the inability to sell your house? You may find that becoming an independent actuarial consultant is your only option. Others may feel that it is time to respond to the entrepreneurial desire that has been simmering inside them.

For myself, I just wanted to focus on what I enjoy the most—actuarial work. When I started my actuarial career, my job was to underwrite renewals for large companies. I was given a mechanical pencil, 11" x 17" graph paper, a ruler, a calculator and told to analyze. That has been my passion ever since. I feel a sense of gratitude towards the actuarial exams for instilling in me a profound analytical ability. That ability overflowed into other aspects of my life. In fact, our local tax assessor got much more than he bargained for when I showed up to appeal my

[The Birth of an Independent Actuarial Consultant](#)

by John Dante

[2010 Health Meeting Scheduled for June 28-30 in Orlando!](#)

by the SOA

**ENTREPRENEURIAL
ACTUARIES SECTION**

[Entrepreneurial Actuaries Section Leadership](#)

[William Ely, Editor](#)

SOA Staff

[Meg Weber, Staff Partner](#)

[Jacque Kirkwood, Staff Editor](#)

[Sue Martz, Section Specialist](#)

OTHER SITES OF INTEREST

[Entrepreneurial Actuaries](#)

[Newsletter](#)

[Resource Center](#)

[Member Benefits](#)

real estate taxes. The following saying from Confucius also contributed to my desire to make the change: "Choose a job you love, and you will never have to work another day in your life."

How Do I Get From Here to There?

I feel fortunate that many training opportunities seemed to hit my radar as soon as I made the decision to become a consultant. Were they always out there, but I just never noticed them before? I don't know.

I first attended a webinar on networking and I don't think that there is a better initial step than that. When you understand networking, you understand what drives business. Next, I found myself on a conference call organized by a motivational coach with the author of a book on starting your own business. Even though the author's book was targeted to women, I found it to be very valuable. A local internet start-up company offered two free breakfast seminars that were very interesting. One was on using social media to promote your business, and the other was on Web site design. A friend who was a sales coach became a good sounding board for me with respect to my marketing efforts.

I found out through this process that one of the greatest things about being an actuary is the support that you get from other actuaries. Every actuary I talked to genuinely wanted to help me. This was regardless of whether they knew me or not and even if they were busy. I barged in on a few while they were working on Medicare, but they graciously gave up the time to talk to me. They were all invaluable in terms of the advice that they provided me. When you talk to a lot of people, it really gives you a sense as to what is going on in the industry and what you might be able to do to help. It was helpful to reconnect with some former colleagues who became independents; in fact, I found a presentation that one of them gave on the advantages and disadvantages of becoming an independent consultant. I attended the SOA Health meeting in Toronto this year and found several sessions that were of value in preparing me to be a consultant, including one where the President-Elect, S. Michael McLaughlin, provided career advice.

What Will I Face Out There?

It was amusing to me to notice the two different reactions that I would get from people in the course of the same conversation. When I would first say that I was unemployed, there would be an outpouring of sympathy and I would generally be provided with the name of a recruiter that they know. Then I would say that I am starting my own consulting business and I would be viewed as some sort of a corporate hero. I would be congratulated, praised for my courage and then the person would typically say, "I wish that I had the guts to do that."

I also found the reaction of recruiters to be comical. They refused to

believe that I was actually going to be an independent consultant. It reminded me of the scene in "My Big Fat Greek Wedding" where Aunt Voula is told that Ian (the prospective groom) is a vegetarian. She says, "What do you mean he don't eat no meat?" There is a silence in the room as this is unheard of and then she says, "Oh, that's okay. I make lamb." Perhaps this reaction is out of self-preservation.

All in all, people were very supportive. It occurred to me that if my revenue was based on their support, I would be very successful. The interesting thing is that indirectly, my success is tied to their support. It goes back to the importance of networking because you just never know where the business will come from. More times than not, it is not from where you expect.

You will experience the full range of emotions as you go through this. I remember that anxious feeling in the pit of my stomach when I was told in the networking webinar that I would have to sell myself. I always viewed salespeople and actuaries at the extremes in terms of personalities. In reality though, we all need to sell ourselves to be successful no matter what career we find ourselves in. There will also be the realization that it is all up to you. I found this out recently when I had some computer problems and realized that there was no Help Desk to call. At the other end of the spectrum, there will be the exhilaration of landing the first client and receiving the first paycheck. Also, it is comforting to know that when you make that extra effort, you will now directly benefit from it.

How Can I Be Successful?

I believe that the first step in being successful is to develop your business plan. Mine started as a list of questions. As each month goes by, I would revisit it by answering as many as I could and then writing down additional ones. You should consider setting goals for yourself as well. The business plan and the goals that you set for yourself will function as your GPS system. If you go off track, it brings you back.

You need to keep in mind that your revenue will need to cover much more than the salary you had at your last company, since you now have to pay for things that your company paid for in the past, such as benefits, Social Security taxes and business expenses. Assuming that you work from home and are careful with regard to spending, I would estimate that you would need between \$10,000 and \$20,000 for business expenses in the first year. The good news is that you can charge less than the larger consulting firms given that you don't have the resources and overhead that they need to cover. Additionally, you will not need to bill out 40 hours a week to get the revenue to cover salary, benefits and expenses.

It is important to spend time and resources on marketing. Take an

inventory of your skills and think about what differentiates you versus those offering the same services. Even though a number of independent consultants don't utilize a Web site, you cannot afford not to have one as a new consultant. It gives you more credibility. Even when you have work, you will still need to think about getting your next job.

Finally, even though your emotions may be on a roller-coaster ride, I think that it is critical that no matter what happens that you continue to believe in yourself and in your success. The author I referred to earlier named her book, *Birthing the Elephant* because she believed that a start-up business takes 22 months to be successful and that is the gestation period of an elephant.

John Dante, FSA, MAAA, is the president and CEO of Dante Actuarial Consulting, LLC in Mountain Top, Pennsylvania. He can be reached at johndante@danteactuarialconsulting.com.



475 North Martingale Road, Suite 600, Schaumburg, Illinois 60173
Phone: 847.706.3500 Fax: 847.706.3599 www.soa.org