



SOCIETY OF ACTUARIES

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Chairperson's Corner

Leading with Content

By Tim Rozar

Walt Disney is deservedly revered as a creative visionary, but he also had a sharp mind for business strategy. In 1957 he drew a picture, as animators are apt to do, to demonstrate how his company created value. He drew boxes around the names of each revenue-generating business unit: Television, Music, Merchandising, Licensing, Publications, and Disneyland. He connected these boxes with arrows illustrating the synergy of each business driving value to the others. But Walt drew one box, much larger and flashier than the others, at the center of the diagram: "Creative Talent of Studio/ Theatrical Films." He understood that creative output was the heart of the company, pumping sustainable value into a network of interconnected businesses. Over 50 years later, Disney's business model still relies on creating lovable new characters and telling fanciful, engaging stories. The recent purchases of character rights and creative talent from Jim Henson, Pixar, Marvel and Lucasfilm further underscore a simple and enduring truth: content creates value.

Nowadays it seems that everywhere you look, companies are jumping into the original content arena. Netflix has created Emmy-award winning original programming. Microsoft is financing new programs for its Xbox Live platform. Hulu, AOL, Amazon and scores of others are also getting in on the action. James Murdoch, deputy COO of 21st Century Fox, makes the case very directly: "Our starting point is content because our business is about selling the consumer what they want.

To my fellow Product Development Section members who may be growing concerned about my priorities as section council chair, don't worry. I'm not planning on spending your dues to develop a new sitcom about actuaries (although you have to admit that would be kind of awesome). I provide this background only to drive home two points:

- 1) The creative talent of Product Development actuaries is the heart of value creation in the life and annuity industry. Other disciplines may count the beans, sell the beans, or estimate the risk of a 1 in 2000 year drought on the production of beans—but PD actuaries make the beans. As such, we must remain the champions and driving force of innovation to deliver consumers the products they want.
- 2) Original content creation was, is and will always be at the heart of PD Section activities. Our mission statement says that we deliver membership value through "...meetings, seminars, research studies and the generation and dissemination of literature..." In other words, original content.

This will be an exciting year for the PD Section. We have a long and growing list of original research and professional education initiatives planned which will be delivered through an evolving array of platforms including standalone seminars, webcasts, podcasts, social media and—of course—our newsletter, *Product Matters!* ■



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