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## PROFESSIONAL DEVELOPMENT OF THE CONSULTING ACTUARY— MARKETING AND MANAGEMENT

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This panel will address the changing role of the consulting actuary in the future - as it relates to the marketing of services to current and new clients and as it relates to the management and development of a consulting practice. We will discuss opportunities, problems, and rewards in becoming more heavily involved in the marketing of services and/or the management of a practice area.

MR. THOMAS T. LONERGAN: When I joined a consulting firm right out of college back in 1970, marketing was done by answering the phone. The firm seemed to manage itself. This was somewhat typical of the marketing and management approach used by many firms at that time.

Times have changed! Competition is much more intense! Many different services have emerged to meet client needs and to develop new sources of revenue. The effective management of professionals has taken on new importance. We as actuaries need to recognize our changing environment. Are we ready to provide leadership in marketing and/or management? How do we grow in these areas? If we have no talent or interest in either of these areas, can we support the importance?

Let's first talk about managing a consulting firm. One approach to managing a group of professionals is through participation and involvement. I suggest three key committees: An Operating Committee, A Marketing Committee and A Consulting Committee. Both participation on these committees and active support of these committees can help an individual grow in these areas.

Together these committees address the basic needs of a consulting practice - to turn a profit, get new business, and deliver quality services. The three are all necessary and of equal importance in maintaining a successful practice.

The Operating Committee may have five members, including a Chairperson, plus a Secretary. The Chairperson of this Committee would probably be the head of the office or the firm. This committee would meet monthly. The objective would be to review the office results and determine office strategy on key operating issues. This would include financial results, budget, staffing, training, and development within various practice areas. The Committee's responsibilities would include:

- . recommend and implement changes as necessary,
- . the establishment of an annual operating plan, including revenue, expenses and profit,
- . make timely staff additions and organizational changes,

- . establish and implement a program for training of professional staff, and
- . develop and implement operational plans.

This Committee can be a vehicle for sharing ideas with your colleagues and, getting ownership in the direction of the office/firm.

The Marketing Committee might also consist again of five members, including a Chairperson, plus a Secretary. The Committee would meet monthly. The objective might be to achieve and maintain an aggressive, orderly, efficient and professional approach in the development of new business from current and prospective clients. Responsibilities would include:

- . developing and maintaining a marketing plan and strategy,
- . carrying out the marketing plan in an intensive and efficient manner,
- . aggressively following up on leads,
- . taking the lead in determining the timing, subject matter and location of seminars, and
- . assisting in developing and marketing all service areas.

The Consulting Committee might also have five members including a Chairperson, plus a Secretary. (Five isn't necessarily the magic number for any of these Committees. As a practical matter membership might range from three to eight.) The Committee meets monthly. The objective is to support the professional delivery of quality services at the highest possible level and support the professional development of the office staff. Responsibilities include:

- . planning and conducting weekly professional development meetings, selecting the topics and, who would make the presentations,
- . calling and conducting of special meetings to update staff on legislative changes or other important developments,
- . be at the leading edge technically in all service areas,
- . reinforce and encourage the need for a strong professional interchange and sharing of ideas,
- . encourage writing of papers, speaking engagements and so forth, and
- . assist the Marketing Committee in determining the timing, subject matter and participants at seminars.

As mentioned, these three Committees would function on an equal basis. Each is important in maintaining a successful consulting practice.

Effective management can be accomplished through different techniques and approaches. Several characteristics that I believe are effective and that encourage professional growth are as follows:

1. Tell the Truth - Tell it as you see it, and make sure that your people understand what you are saying.
2. Open Environment - Create an environment that encourages expression of opinions, sharing of ideas and respect for others. Once reached, this atmosphere can be a hot bed for creativity and will support the delivery of leading edge services.
3. Ownership from Professionals - Get involved in the decision making process. Success will be felt by all who have participated.
4. Strong Leadership and Direction - The head of the office must provide strong direction and he or she must be respected by the other professionals.
5. Maintain Specialty Area - The office manager must stay current in his or her specialty area. We need to stay involved in consulting.
6. Encourage Team Concept - Big egos make it difficult for others to grow.
7. Take Time to Manage - It is as important as client work.
8. Have a Commitment to People and to Quality - Without these two elements we can not reach our potential.

We can help ourselves and our colleagues grow professionally if we can help create an environment having these characteristics. Each of us, regardless of our experience or professional level, can work to make this happen.

Some challenges in growing a practice include:

- . Handling the professionals.
- . Developing leading edge services.
- . Creating and maintaining a professional environment.
- . Developing a team concept and sharing of ideas.
- . Emphasizing and rewarding productivity.

MR. FRANK LIVSEY: I'd like to share with you some thoughts I have, particularly in a Canadian context. What is unique about the consulting business? I think the uniqueness is that we have a very mobile workforce. We have very young people, highly motivated, where the markets are available to competitors, and we face a very mobile workforce relative to other types of business. Therefore it is my feeling that

successful management of a firm would involve establishing an environment of growth and trust and challenge to those individuals. And if we fail to do that, then we would not be successful as a consulting firm.

It has been my observation in Canada that those firms that have been successful have had these characteristics:

1. complete openness in dealings with their employees and, full sharing of information with their employees,
2. management style which listens, and
3. problem solving together rather than a direction oriented firm.

One of the problems the management of a consulting firm has to face is a potential conflict between service to clients, a happy working experience for employees, and profit to the owners. It's been my observation that those firms that have profits as their number one objective at the expense of employees or service to clients have severely failed to meet their objective. Those firms that have stressed quality service to clients first and generated a happy working environment for their employees have seen the profitability come through and therefore have been very successful.

There are a number of ways that an individual can develop within a consulting firm:

- . on-the-job training,
- . information sharing meetings with employees,
- . technical sharing meetings,
- . special training programs for the technical staff,
- . human resource training and development program such as group dynamics,
- . role playing, and
- . attendance at outside seminars.

These can be part of an organized program for developing individuals within the firm.

The greatest asset of our business is our people, however imperfect they might be. An attribute that we should be looking for in considering the type of people we hire is adaptability. This is needed both by the individual and the organization. We should stress that every job is important within our organization. We should recognize that employees have capabilities beyond what they are called upon to do in their normal job. There is room for a mixture within all consulting firms for specialized skills and the broad outlook of a generalist.

In management relations, mutual expectations should be determined between the manager and the associates. We should recognize the strengths and weaknesses of the people with whom we work and channel their energies accordingly. I am also a great believer in employees participating in the determination of their own jobs. Another thing which I believe is important in a successful firm is to avoid competition between individuals. This was one of the things that Tam mentioned in his comments. I mentioned earlier a full dissemination of information among employees and an environment should be created in which ideas and concepts flourish. This kind of process results in it not being a supervisor-relationship style. It is a management style, where people are just allowed to operate essentially as their own boss and the manager just directs them in their activities.

Some of the challenges that I think we face in the consulting field is the retention and training of our people in a changing world. Organizations are changing and jobs are changing within those organizations. It is a real challenge to keep pace with this expanding environment. A key decision that a consulting firm has to make is "how to deliver consulting services?" Should each office be on a stand-alone basis, in which case, you staff it accordingly; or is it better to set up centers of technical groups that serve a network of regional offices.

I would also like to mention the importance of cooperation between offices and not competition. I think we should recognize that if a particular expertise is available in another office, we should call in that expertise, even though it doesn't go to the bottom line of our own particular office.

An important part of management is the financial management of clients. This would cover such things as billings, delinquent accounts and the control of write-offs. Other financial management techniques are to develop productivity measurements, such as ratios of billings to salaries, and so on, in order to measure the effectiveness of individuals and units within the firm.

In a few moments, we will be talking about marketing. Here again, is an important decision that a firm should make. Should they employ people whose sole function or major function is to develop new business or should they try and educate the consultants to do that function.

Lastly, just a point on committees. Consider, if you don't already have one, the establishment of a professional standards committee within your firm. This would be a committee of experienced consultants that can provide guidance for the younger consultants on professional issues and professional standards.

MR. SAM ECKLER: I would like to have the panel address the role of the consulting actuary in the future. What is he or she supposed to be doing? Do you see the demand for the conventional actuarial consulting services narrowing?

MR. LONERGAN: In the future I think we will see a continuation of what has happened in the past, namely that employee benefit consulting firms will continue to expand into the more broad Human Resource consulting, (such as communications, compensation, salary administration, management and organization, etc.). This expansion would include the risk management area. I see this expansion continuing dramatically in this decade.

The role of the consulting actuary, since I first came into the field back in 1970, has changed dramatically. The environment has become much more dynamic and is undergoing continual change. The opportunities that exist for the consulting actuary are really expanding, not narrowing. Many of the problems that companies have overlap different areas within employee benefits and compensation. There is a demand by companies in the marketplace for us to be a resource in more than just one area. We may become knowledgeable in several areas and work as a part of a team in being a resource to a company.

MR. CHARLES BENSON: It seems to me that some of the problems that some of the consulting actuaries have are self-inflicted. Often actuaries have tended to view their roles in fairly narrow terms. Some believe that they have arrived when they have achieved their fellowship. That in my view is only the beginning - not the end. We need to view our roles as professionals who attempt to help our prospective clients anticipate and identify needs and solve them utilizing actuarial techniques. This requires a certain amount of creativity and imagination - not merely doing routine pension valuations and other projects which are covered by the examinations. It is in the area of creativity that I feel that many actuaries fall down. Actuaries tend to be very good on the technical end, but are not very good in anticipating or identifying problems which they can help their clients solve by utilizing actuarial techniques. Each problem that is solved, may result in another opportunity to extend the actuarial techniques to other areas.

The Harvard Business School says that there are three things necessary for success in business: Talent, Creativity and Discipline. Virtually every actuary I have met is a reasonably talented person. However, it is in the creativity areas where there is much more to be desired. It is also difficult to have the discipline to be able to continue to follow the divided path over a long period of time.

In the actuarial field we are dealing with problems which frequently have long-time horizons. Consequently, the results are not going to be seen immediately. Self-discipline and confidence are essential for success in our field.

MR. RALPH BRASKETT: As we move to some of these non-traditional areas, we should remember what expertise we have and don't have. To the extent we think it is important that we have expertise in these areas we should make some effort to put it on the exam syllabus. Otherwise, we are limiting future generations of our fellow professional members. I know that I don't have the training to give advice in total compensation (although I can do some things based on general reasoning). I certainly won't give any advice in the investment areas. There is no way we are trained to give investment advice. I like the idea of getting involved in other actuarially-related areas. But we need to remember what we have expertise in and what we don't have it in.

MR. LIVSEY: I would just like to share with you some thoughts on a subject that is quite close to my own heart and that is the marketing of actuarial or consulting services. I am going to discuss some of the key elements that should be in such a program. First, your corporate objectives and philosophy must be in place before you start to determine how you market your services. Some of the considerations that would go into setting corporate objectives and philosophy would include:

- . your short and long term goals,
- . the business environment in which you are operating,
- . the client environment, and
- . what your competitors are doing.

You should then evaluate the strengths and weaknesses within your own organization, develop a strategic plan in each area of service provided by your firm, and set quantifiable objectives. All of this is in the business plan of the firm before you start thinking in terms of Marketing.

Next, define your promotional objectives and philosophy. Do you want to have a high or low profile? What is your attitude toward public relations? Should you advertise? How do you want to position yourself in the marketplace? Do you want to be a leader among the leaders or unique in a certain area of practice? All of that goes into the promotional objectives of the firm.

Out of this then, can be developed a marketing plan. Some of the elements of the marketing plan would be:

- . identify prospects;
- . define, develop, and introduce new services and products;
- . identify individuals within the firm to do the marketing;
- . develop a game plan for each prospect; and
- . establish goals and develop marketing tools.

Marketing tools could consist of brochures explaining the services, newsletters which would go out to clients and prospects, and items such as research and special reports.

Having got all of this into place, you then have to decide how to go about your promotional activities. There are a number of ways of doing this:

- . direct sales contact, visiting with firms, making your interest known to them,
- . third party contacts, getting to know accountants and lawyers,
- . building up contacts through media relations, newspapers, TV and radio, and
- . being highly visible by making speeches, writing articles, and putting on seminars.

These are all activities designed to make your services known to the outside world.

How do you get people within your firm interested in the marketing activities? First, you need to impress upon them that without marketing, there is low growth and therefore fewer opportunities for individuals within the firm. The idea of marketing has to be instilled in the whole organization for successful growth to develop. The skills necessary to be a good marketer are first of all the ability to listen to the client and determine what their problems are, second, the ability to solve problems, third, the ability to write good proposals and reports, and finally the ability to speak. There are many management courses and materials available to help train individuals in these areas. For example, there are Xerox's learning courses, programmed learning and video tape practice.

Another involvement of individuals would be on-the-job training - having young, less-experienced people go around with an experienced person and learning from them in the process. Never allow a new consultant to go out in the absolute cold. On an ongoing basis provide feedback to individuals, by superiors, by colleagues and also by clients, and what worked well and what did not work well. Beyond this, in order to market successfully, you need to have good in-house research facilities, and good administration systems to back up your marketing efforts.

There are a number of key factors that clients use in evaluating consulting firms: First, the experience of the firm - measured by the type of clients that they service, the length of time they have been in business, and the number of people they have. Second, their capabilities - what range of services do they offer, where are their offices located, and have they shown creativity in the work that they have done. Third, responsiveness - how responsive are they in client assignments. There is no point in delivering good quality work late. The quality of the proposal itself - how complete was it, was it custom-tailored or was it boiler-plate.

The personality of the consulting team is important. As many of you know, frequently when you get into the finals, you are up against good competition with good proposals. Often the decision is made on the basis of the chemistry of the individuals in the final interview process. Other important issues are the client load and experience of individuals on the team.

With respect to the development and maintenance of client relationships, first and foremost, I would like to stress the importance of client retention. A lot of effort is required to replace lost clients. For example, perhaps twenty contacts in the marketplace might lead to five occasions where a proposal is made, which may then lead to one successful retention. You might have to make twenty calls in order to replace that one lost client.

The application of management science comes into play in identifying a client's style preference. There are various training courses being offered in North America which enable consultants to help identify the style preference of the client. For example, is a client analytical in his or her approach or is he or she just interested in the bottom-line results? Is the client amiable, in need of some assistance, some patting on the back? Is he or she a very expressive person? These are different personality characteristics. And if you are able to identify those kinds



of characteristics within a client, then you can start to relate properly to that client and perhaps have a better relationship than would otherwise be the case. And of course, more importantly, show care and attention to the clients. Make them feel that they are the most important client that you have.

Some final thoughts on marketing of actuarial services. It is a numbers game. A lot of effort is required. If you wish to have growth in your firm, you have to put that effort in and make your services known in the marketplace. But in doing this don't be overzealous. Observe the professional code of ethics. Successful marketing, in my opinion, is first of all developing a successful track record of delivering quality services and then successful presentation of what can be done in the future for a prospect. New business development comes from active clients, inactive clients and prospects. The best business that you can get is referral business.

MR. LONERGAN: It is interesting how my feelings have changed over the years about individuals who are primarily involved in marketing. For example, after an initial four years of indoctrination, I felt very uneasy about even using the word marketing. It made me nervous. I wasn't sure that it was professional. I was just generally uneasy about it. As time progressed, I became more curious and interested in what marketing was. I have come to the conclusion now that marketing is really trying to deliver resources to your clients or to companies that are looking for help. Marketing is trying to bring about an awareness on the part of clients and prospects that these resources do exist and are available.

There are many actuaries that are good at identifying client needs and problems and helping to find a solution to them. In this context an actuary is marketing.

How do we get more comfortable with marketing and how do we develop as successful marketers? Getting training in various service areas that are actuarially related will help. For example, services for defined contribution plans, are actuarially-related. Instead of doing valuations each year you may do allocations each month. In today's environment when you think "retirement", you can't really ignore defined contribution plans. We as actuaries, need to know about defined contribution plans to effectively help a company design a retirement program.

Just in terms of making marketing calls, we have found that you need to be consistent and persistent. There are some professionals, that are really quite good at making cold calls. Marketing in pairs, especially in making cold calls, can provide some very interesting and rewarding experiences. You have the opportunity to exchange ideas with a prospect and the challenge of trying to identify areas where that company is looking for resources.

The question was just raised as to how we deal with the merger game in the United States and possibly to a lesser degree in Canada. We live in a world where our clients are not necessarily owned by the same people that owned them yesterday.

In dealing with merger situations, we need to put our client first. In an acquisition or merger, our clients have many problems - whether they are on the acquirer side or the acquiree side. We need to help them identify and deal with those problems. This needs to be our first and primary area of interest and focus. Many of us are familiar with the kinds of problems that surface, particularly as they relate to pension plans. It is my opinion that we need to be aggressive in assisting our client and making sure they know the issues. In some cases clients are very unsophisticated in this area. As a result, our aggressiveness can really be important to them so they can consider the issues. As we serve our client, and serve them well, we will need to some degree to let nature take its course as to whether we survive the merger.

MR. DAVID BROWN: I have had a variety of experiences in merger situations. I believe it's very difficult to make generalizations about them. I can think of one very complicated merger that involved three different companies coming together or spinning off divisions to form a new company. This new company was not closely identified with any of the three original ones. The three companies were all important clients to the consulting firms that serviced them. The three consulting firms were very interested in doing what they could to acquire the business of the new company. The situation was extremely confused in terms of who was making decisions and how they were finally going to be made. The whole matter was unresolved for about six months. During this time there was a very complicated sales agreement being worked out. All of the firms were involved in advising their clients about what their interests were in the sale agreement.

The new company finally went to a fourth consulting firm. They felt it was important for them to establish their own separate identity. They wanted their own advisors.

In most situations, we are not the only advisors to companies. There are external auditors, lawyers, and other professionals. Very frequently, I think there is a certain amount of horse trading going on. The lawyers are selected and then the auditors. In fact the actuaries, or the employee benefit consultants, may be fairly far down the list. It may be a little bit humiliating for us to think that this may be how we are perceived.

After you have been through enough of these, you perceive them as Acts of God. You may have done a really terrific job for a client over a long period of time and thought you had a very good relationship with them. When these mergers take place, you are in a completely new situation. Your past performance may or may not stand you in good stead. I just don't think you can make generalizations about how to deal with them. You have to look at each one on its merits.

MS. SHARON SCHWARTZ: I just wanted to comment on what you said about having an aggressive approach in the consulting field. I work on the life side - life consulting. Perhaps we don't have as many annual clients as on the pension side. Maybe it's because my company is a larger company, but many companies come to us rather than we going out to them. In many cases we take a more laid back approach.

MR. LONERGAN: It is important for us to be active and not reactive in our thinking. Clients appreciate this. We need to develop a staff that has an orientation toward marketing and making resources available to our clients. To this end, our marketing plan needs to be elevated to a means of importance. When we are successful, we need to share this success with our colleagues. After we are successful, we need to deliver the services at the highest quality level.

I would like to talk about the background of some individuals that are in demand in the marketplace. This is important because no one wants to be an expert in an area where there is no demand.

Today, there are two general kinds of individuals that are in demand in the marketplace. One, is a person who can develop and maintain client relationships. Some firms might call these account managers, others might call them managing consultants or primary consultants. These three designations really mean the same thing. It is an individual who can handle a client relationship. The second kind of individual in demand is one who can handle a project in a specialized area. We might call that person a consultant. Let's talk about both of these and then try to relate it to our growth as professionals.

First the account manager. The account manager, the one who handles the clients, has the responsibility of exposing services to the clients, keeping the client informed and at the leading edge, tying project results to other interests and needs, communicating fees, monitoring the client reaction, managing single or multi-discipline kinds of projects, and developing strong binding relationships. The characteristics of an account manager would be as follows:

1. Technical expertise. The account manager has an area of specialization. For an actuary on the employee benefits side, it may be the design and funding of pension plans. The actuary would keep up to date and could handle most questions in his or her area of specialization. However, the account manager also has a general understanding of other services. This would include understanding the key issues and new developments in other areas.
2. Strong Interpersonal Skills. Verbal and written communications are extremely important. The account manager is an individual who is perceptive, can identify client needs and dissatisfaction. He or she has the ability to quickly identify changes in personnel or direction, an individual who is active and not reactive.
3. Manage or Control Single or Multi-Discipline Projects. The account manager is responsible for determining their scope, timing and fees. He keeps the team working on those projects informed of changes in the client, personnel and projects. Sometimes projects are so complex that it involves a number of people. There may be four or five or even seven or eight that are doing parts of a project in order to get the work done. The account manager is one that can give direction and must be able to bring everything together.

The account manager has self-confidence, can produce organization out of muddle, is a team player, highly motivated, can make decisions, and is firm but at the same time flexible. The account manager is a good listener, and can project a professional image.

Are we as actuaries prepared to be an account manager? What does our actuarial background and training bring to the table? On the plus side, we are taught a logical and orderly approach to solving problems. The exam process and just being able to survive teaches us this. We are given much information in many areas. We learn a great deal of self-discipline and we have a technical orientation. A minus might be that we can be narrow in our thinking. Can there be a tendency to be inflexible and resist new ideas? Are our interpersonal skills strong enough? The needed dedication to taking and trying to pass exams does not encourage our social development. I have found that actuaries can be uncomfortable in discussing areas outside of their one specialty, maybe overly uncomfortable.

The characteristics of a consultant are similar yet different from an account manager. The consultant has the responsibility of defining a problem, determining the scope of a project, completing the assignment, doing the research, writing the report, drawing conclusions, making recommendations and then communicating the results in a manner that management will be able to understand. The consultant needs:

1. Technical Expertise. A strong grasp of all technical issues as it relates to his or her area of expertise. To stay current in new developments and understanding of other service areas, may be helpful but not essential. This person is a high-powered expert in a particular area, but at the same time, knows his or her limitations. The consultant knows when to call in other colleagues to provide support.
2. Interpersonal Skills. The consultant must have effective oral and written communications, and the ability to recognize symptoms and problems.
3. Project Management. The consultant can manage and control a single project or a portion of a multi-discipline project. He or she can keep the team informed of changes, develop credibility and respect with the client. The consultant has high standards, is thorough, but there is no information overkill. In other words, sometimes a six or seven page report is a lot more effective than a sixty or seventy page report.

What does our actuarial training and background bring to the table in terms of training as a consultant? The same as before, except maybe being an account manager is generally more difficult. The account manager needs to have a knowledge of other services because frequently many services are being delivered to that client. He or she may have stronger interpersonal skills and the ability to control many projects.

Let's talk about some of the areas in demand in the marketplace. We see a very strong demand for good, capable people in the pension area. We also see a strong need for people with familiarity on the asset side. There aren't many actuaries who are comfortable on both the asset and liability sides. A person with expertise on the asset side would be able to assist clients in setting investment objectives, in finding money managers, negotiating guaranteed insurance contracts or assisting in the monitoring of investment performance.

We see the marketplace looking for resources in

- . negotiating or renegotiating insurance contracts,
- . 401(k) plans,
- . executive compensation,
- . communications, and
- . flexible benefits.

MR. LIVSEY: My comments will supplement Tam's. First and foremost, clients are looking for innovative, creative problem-solving approaches to help satisfy their needs. A speaker early on mentioned routine actuarial work. I think clients are not looking for that, but are looking for much more. Those consultants who are able to deliver creativity will be successful in today's marketplace.

It is no longer possible in today's environment for any one person to be the fountain of all knowledge. I would like to reinforce the importance of the team approach. On the team you have a generalist, (Account Manager) who has project management skills and a good level of understanding of benefits. He is assisted by detailed specialists in the various disciplines.

The actuarial background and training is very good for developing problem-solving skills. However, it doesn't necessarily lead to being good managers. Management skills are something that are developed after you have got your F.S.A. or F.C.I.A. The actuarial background doesn't lead to the development of interpersonal skills which are needed to be a good consultant. Many managers of actuarial firms or managers of offices are not actuaries. There are many excellent consultants who are not actuaries. One of the things we must guard against is thinking that just because we are actuaries we can be all things to all people.

Reference was made earlier to investment advice in North America. I got the impression that there was perhaps some reluctance to give that advice in North America. My background is British. The Institute of Actuaries exams go into the investment process quite deeply; and consequently, many consulting actuaries in the U.K. actually give specific investment advice, are employed by stockbrokers or act as trustees of pension plans. I certainly do not think it is something that should be overlooked in the North American consulting environment.

Talking about people in demand in the marketplace leads to the question - Should a firm seek these people out or should they develop their own people internally?

MR. BROWN: I am not really part of the E and E process although I have just finished three years on the Education Policy Committee. A lot of dissatisfaction and unhappiness exists particularly with the pension syllabus of Society examinations. The Education and Examination Committee is conscious of that and they have been struggling to do something to improve it. The investment question may be part of that whole difficulty. But it seems to me that it is not the biggest part of the difficulty. In the nature of things, you solve what looks like the worst problems first. About eight years ago, I was involved in one of the restructurings of the fellowship exams. At that time, there was quite an overhaul in the investment syllabus. However, it was quite an improvement from what I saw when I took exams.

It is my understanding from those who know the asset side, that the syllabus is not up to date. Unfortunately many of us don't have enough knowledge to know or even recognize when it is getting out of date.

It is a problem trying to solve professional development issues through changes in the exam syllabus because of the burden these exams already have on those who are taking them. It is difficult to know whether it will be productive to put more emphasis on a subject that has had relatively little or no emphasis in the past. It seems to me that there could be other ways in which another organization could offer this kind of training.

MR. LONERGAN: There seems to be a tendency on the part of many of us to want to restructure the exams as a solution to the training problem. We forget that when we got our fellowship, we were not done. We need to continue our education process after the exams are completed. We must add to the knowledge and expertise that we have by rubbing shoulders with our colleagues, and using training that is available either through our company or from outside sources.

MR. BRASKETT: I sympathize with David's remarks. I went through one transition while I was studying for my fellowship exams. I went through another transition while I was serving on the E and E Committee. It is very difficult to modify the syllabus. The government mandated requirements, at least in the States if not Canada, have caused much of the restructuring.

I would just point out that I think there is a tendency, as was pointed out earlier, for the person who gets his fellowship to think his learning is over. The smaller the firm, the worse the tendency is, because there is little or no training from the firm. My experience is that there is not much internal training in most insurance companies. We probably need some sort of post-fellowship training. I think for that we are going to have to look to our Guild, the Society of Actuaries, and into the special interest sessions. I think the Society is doing a good job now with many of the seminars that they are sponsoring. They certainly do help to keep your skills up. I would recommend that you periodically look at what the Society sends out on seminar information.

MS. SCHWARTZ: The continuing education of the consulting actuary is just as important as the continuing education of an actuary in an insurance company. Consultants, however, seem to have less time to do it. But it ties in with the changing role of the consulting actuary in the future. In the life consulting field, with the many new tax laws and new products, research is vital to the consulting environment.

MR. LONERGAN: I think that is a good point. If we don't keep up and continue learning, we can become obsolete or out of date. Sometimes I hear my colleagues say they don't like to go to Society meetings because the program doesn't have subjects of interest. They would rather go to another meeting. I ask - who are the ones that select the subject for the meetings? We are the ones! It is up to us and our colleagues to select the subjects that are most relevant to the issues of the day. We need to support our colleagues that are involved in planning by sharing with them our ideas and participating when we are asked to do so. The degree of success of the Society meetings is only as good as we make it.

Frank you had some general thoughts, experiences, and approaches to share with us on professional development.

MR. LIVSEY: This is a potpourri of some personal biases with the intention of having some discussion. I have heard it said by actuaries that it is unprofessional to market consulting services. In my opinion, it is to the contrary. I think competition is healthy and results in the highest quality work being done. I think that we as an actuarial profession must guard against being viewed by the public as protective in any way. Professions are under scrutiny by the public as to how they conduct their affairs. I am a firm believer that competition is healthy in every sense of the word. The marketing environment that we are in today is much more difficult than it was five or ten years ago.

It is interesting to see a number of consulting firms in North America getting involved in acquisitions in recent years. I have a concern about this. First of all, it has been my experience, that acquisitions are not necessarily financially successful. They can be very disruptive. It disrupts the individuals within the firm and the management of the firm. Sometimes good people are lost and clients are lost in the process. If acquisitions are sizeable, then we are facing the possibility of restraint of trade. So, I just raise a question - are acquisitions desirable? Along the same lines, it has been my own experience that joint ventures are difficult and often times unsuccessful. The reason is, quite simply, there has to be an ultimate boss in the relationship. The joint ventures that I have observed have really not been that successful.

Some comments on the importance of multiple services. I think it depends on the objective of the firm. It probably has to be offered to compete with the large firms. But I really believe it is less important than it would seem to be.

With respect to consulting styles, you can essentially say there are two consulting styles. There is the participative approach where the consultant assists the client in determining objectives, selecting alternatives with the client, then selecting what is appropriate. There is

also the directive approach were the consultant is looked upon as "the outside expert". I think there is a place for both consulting styles. Generally speaking, it is my observation that the directive approach is requested by smaller companies. It seems to be more prevalent in Canada than in the United States. There is room for both of these consulting styles to operate successfully.

The program refers to rewards. I was trying to think what those might be. The rewards that occur to me are the joy of closing a case, and seeing the business and people grow. It leads to an interesting life, hopefully to some financial rewards as well.

MR. LONERGAN: I know from a professional standpoint, there seems to be no greater satisfaction than to tell a company what you can do for them, for them to ask you to do it, and then for you to deliver on what you said you were going to do.

MR. DAVE SCHOFIELD: Frank, I believe you had mentioned that accounting firms and law firms were a good source of new business for you. Do you service the clients of the accounting firm or are you talking about providing benefit services to the accounting firms themselves?

MR. LIVSEY: I didn't want to imply that they were a good source of business. It is just one additional source of obtaining business. These other professional firms come across situations where a client is requesting particular expertise. Once you have established personal connections, the attorney or accountant may ask you to help them out.

We do not service all the clients of a specific firm of accountants or lawyers. And again it is not a big source of business. In my experience, the most successful way of getting business is one-on-one direct sales contact.