



SOCIETY OF ACTUARIES

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SmallCo SWOT Analysis

By Jerry Enoch

At the recent meeting of the Smaller Insurance Company Section Council, we performed a SWOT analysis of our section, listing our Strengths, Weaknesses, Opportunities and Threats. It was a good experience for us, which we want to share with the entire section. In time we might add to this list, and we invite your input as well.

Strengths. We have a strong spirit of volunteerism. Our section council members are very involved in our meetings and in working to serve the section between meetings by planning and leading sessions at various Society of Actuaries (SOA) meetings, planning and presenting webinars, writing or recruiting articles for *smalltalk*, and numerous other acts of service. As part of this spirit of volunteerism, we have enthusiasm, camaraderie, fun and a joy in working together. A strong group of “friends” of the council (people who aren’t on the council, but who often attend meetings and help as they choose) is a second strength, and they share in the spirit of volunteerism.

For many years, our finances have been a weakness. We have had so little money that every decision was evaluated with an eye on our surplus. A few mistakes might have rendered us insolvent. By changing *smalltalk* from print to electronic form, we eliminated our primary discretionary expense. As a result of providing several successful webinars, we have significantly increased our income. In two years, our finances have become a strength. We can take a chance on a new service without fearing that failure might bankrupt the section. We can now think of money as a tool, and not merely as a requirement.

Last, and probably most important, we have satisfied section members. A recent survey of SOA members showed that section membership is highly correlated

with satisfaction with the SOA, and it showed that our members rank at the top when it comes to being satisfied with a section. Besides the gratification that comes from realizing that our efforts toward serving our members are appreciated, we hope that having satisfied section members will enable us to recruit more friends for the council, which will enable us to better serve our members. We know that their needs are great.

Weaknesses. The analysis does not stop with strengths. With the continued consolidation of the industry, the base of small companies is shrinking. Perhaps for this reason, the membership of the section has declined steadily over the past several years.

Perhaps common to all sections, we find it difficult to know what our members and prospective members think. We have nine council members and a number of friends of the council, but we don’t know the extent to which we are representative of small company actuaries. The fact that those of us who are involved in the council are a minority may make us unrepresentative. We had some excellent responses from 127 members who completed our survey two years ago, and those responses caused us to feel representative. Nonetheless, we wonder how the opinions and needs of the majority who didn’t respond—and of the unknown number of small company actuaries who aren’t members—vary from those of the respondents. We frequently ask for opinions or other feedback, and we mean it!

Opportunities. Our longest list was our opportunities. Perhaps because we are so conscious of the change in our situation, the first opportunity listed is the ability to deploy money. Consequently, we have the oppor-

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tunity to take risks without jeopardizing the future of the section.

Following are some other opportunities:

- Our companies need actuarial input at the executive level.
- We have an opportunity to help our students see the big picture.
- Small company actuaries have many unique needs. We are a boutique section.
- We have the opportunity to synthesize and distill recent developments, as well as accumulated practice, for our members.
- We can work with experts from other sections to devise practical solutions for our members. There are now many ways to communicate, which helps us meet our members' needs.

Threats. While we only listed two threats, each is very important. First, it is difficult to spend time on section work. While we know the need and we energize each other, it is difficult for actuaries to make time for section work, and small companies often value the benefits we receive from volunteering less than other employers.

Finally, while our members have great needs, increased communication may allow our members to meet their needs elsewhere, rendering the section less relevant.

Conclusion. This was not an academic exercise. This introspection helps us more clearly understand how we can better meet our members' needs, and that is our objective. Perhaps your interest in joining with us to meet members' needs has been piqued. Please write me at jenoch@alfains.com or call me at 334.612.5013 to chat. ●



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