



SOCIETY OF ACTUARIES

Article from:

The Stepping Stone

July 2005 – Issue No. 19

Image or Reality?

by Steven J. Gaspar

A Tune-Up

This afternoon I was talking to a friend of mine—an actuary—about the new actuarial image campaign. You know the one: “Actuaries, the Best-kept Secret in Business™.” In our discussion we arrived at what I think is a key question: Why does our profession need a makeover? Don’t get me wrong, I think we do need a makeover, and I think it is great that our organization is taking proactive steps to manage our image. But I suspect that real money is being spent on this campaign, so I hope this does not end up being fresh paint on a car with engine trouble. This campaign will be a wasted effort if we focus only on the paint—the image. I believe we need to also take a look under the hood and consider whether the engine needs attention as well.

I can think of one area of our profession that might need a tune-up in addition to a touchup—communication. As a group, we’re smart. Some of you are really smart. That fact has generally been increasing the effectiveness of actuaries, and is not a problem. However, as a group we are not known for being great communicators—in particular when communicating to non-actuaries. My nonscientific empirical evidence is that I have met far more smart actuaries than smart actuaries who were effective communicators. I think part of our image problem stems from our communication abilities. Were we great communicators would we still be a well-kept secret?

As an employer of actuaries, I view this communication gap as a real problem because my

business (health insurance) benefits from more actuarial influence rather than less. It does not matter if you are the smartest actuary ever with the best ideas in the land if you cannot influence others. As any seasoned business professional will attest, a critical aspect of influence is effective communication. This is a key point and one that seems to frustrate many bright actuaries. Such frustration is both very real and quite strong. At times it manifests itself verbally, “What is wrong with these people?! Why don’t they see that this is the right answer?!” The most effective actuaries on my team are excellent communicators. Verbal communication is one method of communication and the written word is another. In this article I will focus on the latter.

Typical Actuary

Use the phrase “typical actuary” in a candid conversation with a group of insurance professionals and see what kind of response you get. Comments usually start with something related to “good with numbers” or “analytical” and then quickly deteriorate to “pocket protector” and “geek.” “Excellent writer,” “super facilitators” or “dancing machine” usually are not mentioned. Having two left feet is a concern of one type (and one that contributes to the geek label), whereas being an unskilled communicator is an issue that truly matters.

The “Road to FSA” is paved with an emphasis on quantitative and analytical skills, so our reputation as analytical experts should not surprise anyone. In most groups of business



Steven J. Gaspar, FSA, MAAA, is vice president and chief actuarial officer with The Regence Group in Portland, Ore. He can be reached at sjgaspa@regence.com or at 503.225.4834.

I habitually analyze things ... I viewed term papers and essays as necessary evils and a means to a degree ... my writing skills as an actuarial student were typical.

people I think it is common for the analytical aptitude of the typical actuary to exceed that of most of the group. This attribute of our group is a hard-won asset, and the result of a rigorous training program. Were we to be lacking such skills the insurance and pension industries would certainly suffer. However, this enhanced analytical aptitude can create a gap in understanding at times. That gap can lead to ineffectiveness because people don't pay attention to what they don't understand, whether it is an oral presentation or a written document.

In some ways, I think I am the typical actuary, and in others I know that I am not. Though lacking the pocket protector (seriously!) I habitually analyze things. As with most of us, I can remember being a high achiever in math classes without much effort for most of my math career. However my writing aptitude was not as naturally strong. I viewed term papers and essays as necessary evils and a means to a degree. In comparison to the actuaries I know, my writing skills as an actuarial student were typical. Today I know that I am not the typical actuary in that I write articles for non-actuarial publications. My first article was published in 1999, and I place two or three a year. In fact, if you rush out now to a fine sporting goods store in your area, you are likely to find the current issue of Upland Almanac with my latest article beginning on page 24.

Why Bother?

'Why do I do this?' you ask. The deep answer to the question 'Why does Steve write?' is that Steve thinks he has something to say. The practical answer is that writing makes me a better actuary. My effectiveness as an actuary has increased as my writing ability has improved. I should pause now and acknowledge the danger that one invites when writing an article on

writing articles. I offer this disclaimer: I do not think that I am a good writer. However, I am certain that my business writing has improved as a result of developing my non-business writing skills. Put simply, people understand my memos better now than before I began freelance writing. As a result I am a more effective actuary. As I said, my writing skills weren't spectacular upon emerging from college—they are not stellar now either, but the point is that I have improved.

In much of an actuary's work he/she must present recommendations or research findings to others, including non-actuaries. Frequently those findings are in the form of a memo or a document. Whether we want them to or not, documents are leveraged communication. The message they send can and does influence many people once, and that message is far more durable than a conversation. The author and others can refer back to the document over a period of time. Documents also deliver a consistent message. How well the document is written will determine whether that message is consistently bad or consistently good.

(continued on page 20)



Finally, with the high volume of communications bombarding the typical businessperson, a poorly written document is at best ignored and at worst misinterpreted. In contrast, a well-written document leverages an actuary's communication influence.

Research generates facts and/or support for a strategy. Substituting facts for impressions is great, but getting people to understand the facts is better. The facts themselves are frequently the product of good actuarial work, but to a business they are a raw material, rather than a finished product. A final written document, which communicates effectively, is where the true value resides. The need for an ability to effectively communicate actuarial findings is well recognized. Consider John W. C. Stark's article in the December issue of *The Actuary*.

"Actuaries need to ensure that explanations are clearly understood and accepted by the profession's end users; to the extent that they are not, the end-users will be left to develop their own means for determining whether they will accept the actuary's results." Mr. Stark identifies one key consequence to ineffective communication—non-acceptance. I suggest that there is another consequence—undervaluing the actuarial profession. The good news is that the opposite is also true, i.e., effective communication leads to a higher value being placed on our profession.

Writing is like any other skill. Some are naturally gifted, and the rest of us work at it. Like any competency, writing skills can be learned and improved upon. My method for attempting to improve my writing ability was to simply jump in and try freelance writing. I submitted articles to outdoor sporting magazines to which I subscribed, until I discovered what content and presentation types were

purchased by editors. I have been publishing ever since. Because my learning style is more intuitive, this worked for me. If your learning style is more systematic, formal training is an option to consider. In any case, if you view each document you produce as an opportunity to improve your writing skill, you will improve. If you are looking for a quick way to improve your writing, try reading your memos out loud before you send them. I do this with my articles, and it has helped a great deal. It is best to do this in private so that you are the only one who experiences the roughness of the draft. Another improvement technique is to ask a peer or a targeted reader to proofread your work prior to distribution. This step will help you catch errors, but more importantly it enables you to see what kinds of things are commonly misunderstood in your writing. Such input is invaluable, particularly from a non-actuary.

Today I enjoy writing, though this was certainly not always the case. Whether you enjoy writing or not, constantly improving your writing skills will help you to maximize your effectiveness as an actuary. To the extent that we do so as a group, our profession will be better positioned to deliver the necessary performance after the image campaign brings us the opportunity. □

Writing is like any other skill. Some are naturally gifted, and the rest of us work at it. My method for attempting to improve my writing ability was to simply jump in and try freelance writing.
