



SOCIETY OF ACTUARIES

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# The Danger (and Opportunity) of the Economic Crisis

by Paula Hodges



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*The Chinese use two brush strokes to write the word 'crisis'. One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger—but recognize the opportunity.*

- John F. Kennedy

In my inaugural Chairperson's Corner, I can't avoid the "elephant in the room"—the economic crisis. Every individual, every organization, every section in the SOA is touched in some way by the changes in the financial world today. The Management and Personal Development Section is not immune. With the uncertain times ahead, it is a combination of our knowledge, our expertise and our ability to effectively manage change that will bring us through the crisis.

In translation:

$p_x = f(\text{Education, Experience, Execution})$

Although it is subject to endless debate, many feel that the crisis was brought about due to lack of planning for risk. As such, it seems that actuaries are in a key position to facilitate solutions to the crisis. The SOA exam process provided you with Education; your work history provides the Experience; and your ability to Execute is dependent on your management and personal skill level. The development of these skills is the very focus of the mission of the Management and Personal Development Section. Our mission is "to plan, implement and actively promote management and business skill development for members"\*.

If you're currently managing staff, whether they are professional actuarial staff, administrative support or other people in your organization; If you have influence over other people and the type of work they do; If you are dependent on other organizations as your clients—Then you've certainly noticed that your job today is not 'business as usual'. Your people are worried about their jobs; they're worried about their friends' jobs; some of them are worried about their ability to secure financing for their home.

Staying on top of the latest developments in business and technical methods will be important in solving problems, but it will not be enough. You may be finding that a large part of your day is devoted to listening, reassuring and coaching the people around you. It's quite likely that you don't have all the answers. Even so, your people need coaching to help them manage their careers—whether that means improving in a current role, or ensuring that they are prepared to find a new role in this crazy new world.

Even if you're not managing staff, it is always wise to nurture your own personal skills. You need to know how to manage change; how to build a network that you can utilize both in good times and when you're in crisis; how to solve technical problems and then clearly communicate the issue and resolution to management. If you nurture these soft skills, you'll find it much easier to land on your feet if you become displaced in the current shuffle.

How does the Management and Personal Development Section help? We work to provide you with your personal development toolkit. One part of this toolkit is this newsletter.

- You can also access historical issues of *The Stepping Stone* on our Web site.
- We host several sessions at the SOA Spring Meetings and the SOA Annual Meeting, providing training on various management topics.
- We're in the process of building an informational portal on our Web site, directing you to recent executive books and book reviews.
- We have an exciting new offering, starting in May 2009. We're going to bring you, in partnership with the Financial Reporting and Product Development Sections, a Business School for Actuaries, a seminar that will follow the Life Spring Meeting next May in Denver. The primary topics will be change management

and conflict resolution. More information is on page 19 of this newsletter.

In short, our section is stepping up to help you meet the challenges of today. If you have suggestions on how we can work harder for you, please contact

any member of the Management and Personal Development Council. We want to arm you to be ready to face both the danger and the opportunity that the economic crisis presents! ●

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\* The mission statement for the Management and Personal Development Section is posted on the SOA Web site under *Professional Interests: Sections*.

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