



SOCIETY OF ACTUARIES

Article from:

The Stepping Stone

October 2007 – Issue No.28

Right Fielders of Actuarial Science

by Michael Braunstein

I'm a Little League coach. What's that, you say? You are too? Then you'll know what I'm talking about when I say that it's really hard to figure out where to play all the players to maximize the chances of winning. It's not as if you can trade the kids who aren't as good, nor can you suggest to the parents that they might want to take an early vacation. No, the players assigned to you are the players you're going to have to field. And, if you want to win, you're going to have to find the best spot for each of them.

Clearly, you want your best players in some key positions. Likely, that will include the pitching spot. If pitching's not a good fit for your best player, then most coaches would say shortstop. Certainly it should be one of the two. After that, first base or, depending upon league stealing rules, you might next want a good catcher. If the kids are older, I'd then go to a center fielder and a left fielder. After that, it gets tricky. Some might try to "hide" a player in right field, or maybe at second or even third. Here, I find that coaches disagree, though I think they'll all agree that "hiding" players doesn't really work. Somehow, the ball will find those players. It's as if the ball is a chunk of metal and the shaky player an electromagnet. It just finds them. No, the solution is not to hide them. The solution is to train them to get good and to get good fast.

What does fielding a Little League baseball team have to do with fielding a staff of actuarial students, associates and fellows?

1. You really can't trade the ones you don't want. Sure, a couple of marginal actuaries might see the handwriting on the wall and leave in due course, but the worst ones will likely stay around since no one else is knocking on their door. And unless they're really,

really bad and you have a very aggressive human resources department and no legal department to stop you, you're going to have to find a spot for them—at least for awhile.

2. There are some key positions in every company that match up well for the best and the brightest. For the "walk, talk and chew gum" actuaries, product development and pricing spots are my first choice. There they connect with the marketing and sales folks to whom, believe it or not, some actuaries can relate. For the strong financial actuaries, there are the key spots in valuation and reporting with high visibility within the managerial ranks of the company. And, for the entrepreneurial actuaries, there are non-traditional roles that show up from time to time in the underwriting, marketing, investment and, these days, enterprise risk management areas.

But what about the others? They need to play the field, too. There are only so many systems jobs to be had (please, no letters), only so many small projects to be addressed, and only an occasional back room support role. There aren't nearly enough spots for what could be a long list of stereotypical actuaries, i.e. the right fielders of actuarial science. Surely there has to be a solution!

There is. Train them. It can be done. Start the day they do. Don't wait until they've gotten their associateship or fellowship and then give them their first chance at supervision. Rather, make sure that they get started overseeing the work of an intern within a year, or that they have the opportunity to delegate some responsibilities to someone else early on.



Michael M. Braunstein, ASA, MAAA, is currently responsible for actuarial talent management at Aetna in Hartford, Conn. In prior roles, he spent 15 years doing actuarial work at Hartford Life, 12 years recruiting actuaries on his own and about six years with Actex and BPP Professional Education. He is a past chairman of the Society of Actuaries' Management and Personal Development Committee (now Section).

Make certain that they know how to communicate effectively—one-on-one across a desk and to a larger audience while standing in front of a room. Give them opportunities to present—first to a small group of peers and, later, to a more sophisticated group of executives. Insist that they volunteer their time to help in a professional capacity. Mandate it. Put them in charge of something—even if it's the company picnic or a retirement party. Make sure they get organized and stay organized.

Keep them on task, monitor their progress, and guide them when they need it. Don't accept that report with the grammatical mistakes and the misspellings. Send it back until it's done right. And set an example yourself with carefully written letters, clear and concise e-mails, and accurate and well-structured reports. Have them deal with others in the company—the non-actuaries—with whom they're going to have to speak a different language—one without jargon and acronyms and, dare I say, one with fewer numbers. It is imperative that they are able to make their point understood in a comprehensible and articulate way.

To be successful in actuarial work or, should I say, to be successful in business, which is what being an actuary is really all about, one is going to need that other skill-set. It won't be sufficient to just pass a set of exams; it will be necessary to explain the concepts of those exams to those who'll never take them. In Little League, knowing that the shortstop should throw the ball to second base on a grounder with a man on first is great. Picking up the grounder and throwing it accurately to second in that situation is even better.

In baseball and in actuarial science, balance is important. A few good players who can make all the plays will not win if they're sharing the field with a few bad players who are making lots of errors. The key is to get those bad players to play better, and the only way to do that is to train them. If, instead, you wait for them to quit, I guarantee that the good ones will be gone before the bad ones. If you're good, why stay around only to play on a losing team? Given that the winning teams may be practicing and playing right around the corner, it will make little sense.

Little League coaching has taught me plenty. But most of all, it's taught me to make the most of what I've got. Sure, I can hope to land that great player next season or, if I'm a mean coach, to make life so miserable for that not-very-good player that he sees no benefit in coming back. But the best way to put together a winning team—in the short run and in the long run—is to work with the players you have and train them to be the very best they can be.

And tell me this. How often have you committed such an effort to someone and not had them give you back their all? When they know you're on their side, even the worst of players will hustle down the line. And isn't that a great place to start? □

Coach Braunstein

Don't accept that report with the grammatical mistakes and the misspellings. Send it back until it's done right.
