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Challenging Journey to Clear Communication: Learning to Speak the Agent's Language

by Adrian R. Pask

Last year I was invited to explain to a room full of life insurance agents exactly how their compensation plan was going to change. The changes were substantial and had the potential to impact the way these agents ran their businesses and their lifestyles. The challenge was obvious: How would I, an analytical actuary, convey this important topic to an audience of gregarious salespeople? Would my communication to them be just "dry words" without understanding or acceptance? Looking at the bigger picture, how can we, as actuaries, go beyond our actuarial training and learn to communicate effectively with other professional groups to expand our business horizons?

At first glance, these issues may seem simplistic. There are no complex formulas for good communication. There are no regulations or standards. However, communication is more than just words. Communication is how you think about problems, how you present ideas and how you relate to your audience. After years of taking actuarial exams and training to think like an actuary, I found it difficult to relate to other groups who thought and communicated differently. The challenge for me was realizing these facts and looking for alternative ways to communicate to this group of life insurance agents.

During this journey of professional growth, I discovered a few key communication precepts: delve deeply into other people's reality, respect others for who they are and discover who you are. These messages are simple, but turning these concepts into your own beliefs and changing your communication patterns is difficult.

This article cites specific challenges and provides techniques on how you can break the communication barrier and learn agents' language by learning about their world. Like most difficult tasks, these challenges seem easy until you are forced to complete them.

LEARNING THE AGENT'S REALITY

Agents spend hours on studying, identifying and planning responses to different personality types. Agents know that sales presentations must be tailored to their audience. A presentation to a typical agent requires a fast pace and focus on results. A presentation to a typical actuary requires logical progression and a focus on numbers. What personality characteristics make an agent successful?

Likeable, Trustworthy, Charismatic

For an agent, the first step of the sales process is to sell himself or herself and develop a rapport with the prospect. Agents who can do this seem likable, trustworthy and charismatic. Personal appearance is important. Smiling is important. Remembering names is important. "Important" is defined in the same way that it is "important" to an actuary to calculate reserves correctly.

I was at a dinner with a group of agents, and they spoke for 20 minutes about how a senior executive, who happened to be an actuary, did not remember their names. They were highly insulted. In the agent's world, remembering a name can create a sale while forgetting a name can cost one. Forgetting a name has the same impact in an agent's reality as incorrectly pricing a life insurance policy has in an actuary's reality world.



Challenge One: Introduce yourself to 10 strangers; get their name and the names of two of their family members. Try to remember these names 15 minutes later. You will quickly see that this exercise requires a skill that most agents have taken years to develop. It is not easy to get the names in the first place, and then recall them even a short time afterwards.

Positive Outlook

A great day for an agent is closing five out of 20 sales. Agents are motivated by stretch goals that may or may not be realistic, and closing five deals—no matter what the ultimate goal—is a cause for celebration. Agents accentuate the positive and discount the negative.

On the other hand, a bad day for an actuary is accurately calculating the reserves on one out of four lines of business. It is the three lines of business incorrectly calculated that stands out to an actuary. Actuaries are motivated with achievable and realistic goals. Actuaries look at the world, identify risks and communicate those risks to their audience. For the actuary, the most challenging aspect of communicating with agents is conveying a positive outlook while maintaining a fiduciary responsibility to inform the client of potential risks.

The characteristics just discussed—being likeable, trustworthy, charismatic and positive—are part of most actuaries' daily worlds, although probably on a lesser scale than that of a sales agent. I knew I had to be personable and positive in my presentation, but this was not my entire job. The next two characteristics of the sales personality are much harder to acquire, but they are a core part of an agent's reality. They are skills upon which we rarely draw because actuaries live in a world more concerned with logic than emotions.

Aggressive and Always Advancing

Closing the sale is the goal of the sales process for the agent. There are many steps leading up to a close: gaining a prospect's trust, identifying the problem, proposing a solution, overcoming objections and finally, closing the deal. At each phase of the sales process the sales professional must move the prospect to the next phase. The agent is always moving towards the next "yes."

One important key to the sales process for agents is identifying and resolving objections. A high quality sale occurs only if all objections come to the surface and are resolved. There are two types

of objections: The reason that sounds good and the real reason. The agent's job is to uncover the real reason a sale is not occurring, often by pushing through the reason that sounds good. Agents develop a sixth sense that identifies hidden agendas. Anything less than the truth will be met with suspicion and their training will kick in to uncover the true agenda.

HINTS ON DEALING WITH THE FIELD

So what is the value to actuaries of all this information about agents' personalities? As we discussed previously, agents spend a considerable amount of time studying different personality types. The deeper you can experience the reality of any sales professional, the better you will be able to communicate and "sell" your ideas. Here are some of the tips I learned.

Have Fun!

The first rule when dealing with agents is to create a sense of fun by being likeable and remaining positive. This is not easy when you have a roomful of agents staring you down. The following three sales techniques help create an energized and positive environment. These comments seem simple but are sometimes difficult to fully implement.

- Smile when on a telephone call or presenting in person. The next time you are on a telephone call ask yourself, "Am I smiling?" "Does frowning change the level of enthusiasm in my voice?" "What would it take to get me to smile?"
- Remember names and use them often.
- Offer appropriate compliments. Most agents are masters in the art of the compliment. Some compliments are pleasant and topical. They make the person temporarily feel good and then are quickly forgotten. Other compliments come from a place of deep gratitude or admiration, and if they include specific examples, they remain with the recipient for a long time. Both complimenting approaches can be genuine and powerful if used skillfully. An inappropriate compliment used in the wrong context is very dangerous.

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Agents cultivate a positive attitude and maintain it by only associating with other positive individuals. A negative attitude grates on positive people.

Challenge Two: Do not criticize or complain for an entire week. Only 10 percent of what people worry about actually occurs.

Respect the Agent's Reality (But Live in Yours)

When dealing with agents for the first time my reaction was, "I will just act like them—how hard can being an agent be?" This statement was rapidly tested. Being an agent is difficult. Acting like an agent is even more difficult and has the disadvantage that as an actuary, it is not your reality. A sales mentor told me, "Actuaries have great skills, skills that demand respect, but acting like a salesperson is not one of them."

Once I relaxed and became more comfortable with both myself and my talents, I realized the truth of this statement. If you do a good job of explaining what you do, agents are in awe of an actuary's skill with numbers and the insights they have in the life insurance business.

Authenticity is a rare commodity in life. Agents can instantly identify hidden agendas and social masks. Being an authentic person requires analysis, recognition and acceptance of your own strengths and weaknesses.

Sell Change (Don't Explain It)

How you deliver the message can be more important than the message itself. Agents communicate using a sales process. Actuaries communicate using numbers in a logical sequence surrounded by theory. Agents do not have the time or patience for lengthy explanations of how something happened and the theory behind it. In their world, something works or it doesn't, the reason why it works is not important.

Agents want to know: What is the problem that requires change? How does this change impact my world? Does this change benefit me?

The sales process is a verbal dance that dynamically communicates ideas. Agents recognize the steps and will verbally dance with you. Miss a step and you will lose them.

Avoid Discussing Non-Negotiable Items

A key to dealing with the field is to communicate and sell a company decision without opening a discussion that could lead to a negotiation. Do not open discussions about items that are not going to change. If a full explanation of a matter is required, do this in private or by conference call.

Warning: This is an advanced "black belt" technique that should only be attempted if you feel 110 percent comfortable with every other area outlined in this article. If you do not feel comfortable communicating a firm decision, the conversation will be anything but positive and fun. Communicating a firm decision without respect for the agent's reality appears heavy-handed. If you do not feel comfortable selling, you will not be able to sell a firm decision.

Agents are trained to open discussions, resolve objections and negotiate relentlessly. When you open a discussion with an agent, their training moves them into an objection resolution mode which ultimately enters into a negotiation phase. Once the negotiation phase is initiated, there are two possible outcomes: The home office makes a concession or the agent loses. Neither outcome is favorable.

HOW TO IMPROVE YOUR COMMUNICATIONS GAME

Spend Time with Agents

To improve your relationship with agents is to spend time with them. This can be as simple as calling an agent asking their opinion about a product or asking about their competitors. Go to a sales conference. Buy a financial product.

Challenge Three: In one month, meet five agents and spend half an hour with each of them.

Ask Agents for Advice

Agents love to talk and express their opinions. It makes them feel good and shows that you care about what they think.

Challenge Four: Use the following questions as a template to ask an agent how



you can improve your communications: You excel at a challenging profession— Why are you so successful? How do you keep on top of your sales game? How can analytical actuarial personalities effectively communicate with expressive personalities?

Walk in Their Shoes

The quickest way to gain respect for another person is to walk in his or her shoes.

Challenge Five: Educate yourself about their world. Read a sales or motivational book. Take a sales class. Observe a sales call.

I participated in an eight-week sales training class. This experience forced me to interact and compete with real sales professionals week after week. I had to sell both myself and the products. I saw what motivated sales professionals and what formed the basis of their value system. I was humbled by my rough sales attempts in comparison to their smooth presentations. Agents work hard at being personable and positive. They were talented but they had to work at it. They put as much effort

into being great sales professionals as actuaries put into being great financial professionals.

THE PAYOFF: PERSONAL AND PROFESSIONAL GROWTH

One of the greatest benefits to dealing with agents is the improvement in the ability to communicate. The majority of actuarial communication is formulaic, meaning that the format and content of most reports and communications are dictated by training and standards of practice. This formulaic approach is designed for actuaries to communicate with other actuaries and reduce the risk of errors and omissions malpractice.

Dealing with agents forced me to look at the process of communication. On a professional level, lacking a communication formula, I had to deeply explore my audience, my message and my fiduciary responsibility to my audience. On a personal level, the exploration of my sales audience has made me more authentic in my communications. It also forced me to break through many of my perceived limitations. Both personally and professionally, this was a worthwhile journey. 🏡



Adrian R. Pask, ASA, MAAA, is an associate actuary at Milliman USA in Windsor, CT. He can be reached at arpask@hotmail.com.

Congratulations New Council Members!

The following are the newly-elected members of the Actuary of the Future Section Council. Each will serve a three-year term beginning in October, 2003.

James C. Brooks, Jr.
Bragg Associates
Marietta, GA

Paul Bruce
Capital Professional Advisors
Minneapolis, MN

Joe Paesani
Broomall, PA

Thank you to outgoing council members:

Sudha Shenoy
Anthem BC/BS of CT
North Haven, CT

Morris Fishman
Insurance Strategies
Consulting LLC
Tarpon Springs, FL

Kristine M. Henderson
American Express Financial Advisors
Inc.
Minneapolis, MN

