



# the stepping .stone

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## Leadership Books: The Classics

By Mary Pat Campbell

I previously assessed<sup>1</sup> an early edition of Peter Drucker's *The Effective Executive*. Although a half-century-old, it has already proven lasting value. If new editions of a business book are being produced (now in e-book format), it obviously has staying power over many other works that are on the best-seller lists one week, and then remaindered the next month. If a book has proven its worth by holding readers' attention for decades, how about works that have held sway for millennia?

I speak, of course, of the classics. And I'm referring to works from particular cultures and time periods – specifically, Greco-Roman literature spanning time from about 800 B.C. to 400 A.D. The time period is fairly long, but the most notable works were not distributed evenly in time. For example, an extremely fertile period for literary works came from the 5<sup>th</sup> century B.C. in Athens, which saw the likes of Pericles, Herodotus, Thucydides, Aeschylus, and Socrates. This century was bracketed by the Persian Wars and the Peloponnesian Wars, which first saw the Athenian rise to power ... and just as quickly, its collapse. Similarly, during the reign of Augustus, the first of the Roman emperors, there was a flowering of Roman literature. Howdy!

One may wonder what the great works of literature from these time periods have to do with business, as many are focused on subjects such as war. But consider how Sun Tzu's *The Art of War* has been adapted to issues regarding business and management, strategy and tactics. Similarly, many of the great works coming from these times and places focused on leadership – what makes for great leaders, and what explains leadership failures.

I have picked three great works from this period to cover. To be sure, none of these are explicitly laid out similarly to Machiavelli's *The Prince* or Sun Tzu's work. It does require some reflection to derive any kind of general principles from these works. Most of the time, the actions of the particular leaders being profiled, or the actions they're taking, are put within the larger context of the situations in which they find themselves. Most of the time, we are given contrasting visions of leadership within the same work, such as the characterizations of Alcibiades and Nicias in Thucydides' account of the Sicilian Invasion by Athens. We are to come to our own conclusions on these men, given the actual results of their particular decisions.

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# the stepping stone

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Chairperson's Corner

## Upcoming M&PD Sessions

By Olga Jacobs

**M**&PD worked all winter long preparing leadership and business skill professional development sessions. If you get to any SOA meeting this year, be sure to take advantage of a personal growth opportunity by attending one of our sessions.

Here's what's coming up for the fall. I'd love to receive your feedback on any you attend, and get your suggestions for other interesting programs.

### VALUATION ACTUARY SYMPOSIUM, SEPTEMBER 10-11, 2012 – LOS ANGELES, CA

#### High Impact Social Media Networking

Whether you are an active contributor to your social networking image or not, you have an online reputation! Know it. Manage it. As social networking continues to grow, so does the impact it can have on your image and reach. Take control of your digital footprint to see and be seen as it aligns with your actuarial career goals.

This interactive session, hosted by Margaret Milkint of The Jacobson Group, will include an informative presentation and breakout discussions as participants discover how to define and manage their online brand.

### ANNUAL MEETING, OCTOBER 14-17, 2012 - WASHINGTON, DC

#### Women's Leadership

2011's Women's Leadership session was the highest rated session at the Annual Meeting! We want to continue that tradition and are working on bringing you another distinguished speaker on women's leadership. This session is co-sponsored by SCOR and the Actuary of the Future. Attendance is limited, so make sure you sign up early.

#### The Haunted Washington Scavenger Hunt

This is a great opportunity to see some of Washington, DC and network with other attendees.

*"BOO! Sorry to startle you, but you better get used to it if you're joining this hunt. You'll visit ghost-plagued buildings around and near Lafayette Park and the White House while learning the stories of the restless souls you might disturb. Possible cameos by the spirits of Abraham Lincoln, Thomas Jefferson, Dolley Madison, Abigail Adams, Andrew Jackson, the (allegedly) suicidal Mrs. Henry Adams, and losing duelist Stephen Decatur."*

#### Critical Influencing Skills for Advancing Professionals

Beyond technical skills, actuaries must be outstanding communicators and influencers in order to maintain the critical roles they have played within insurance organizations. This workshop is intended to educate young actuarial professionals on key business influencing skills.

#### Leadership Book Review

Of the many of leadership books available, which ones have had an impact on your peers? In this session, actuaries will review several leadership books that have added value to them and share relevant lessons with the audience. ●

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## WHY THE CLASSICS?

As with the long-lasting Drucker books, these works have obviously proved their worth throughout the ages. While many great works perished in the burning of the Library at Alexandria, in addition to the general ravages of time on papyrus, those found the most valuable were the most widely and frequently copied. That which was uninteresting, uninstructional, useless, or dated disappeared over the centuries, helping to keep such persiflage off reading lists. However, there's more than just high quality that makes them valuable for studies of leadership. Two aspects jump out:

### 1. We know how things resolved (mostly)

One of the issues with books like *Good to Great* and *Built to Last* is that companies are being captured in media res. We may know the beginning and the progression of the story of these companies, but we don't know the conclusions. Some of the findings being drawn from these stories may simply be the pinnacle for these companies before their falls. As Herodotus put words in the mouth of the famous Athenian Solon: "Count no man happy until he is dead." Likewise, count no company successful until you have seen it run its course. We have seen fairly venerable companies collapse overnight due to fatal decisions.

With the leaders and societies being described in these classics, we know they are long gone. To be sure, they influenced many later societies, but neither Imperial Rome nor Hellenistic Greece remains. Some treat events contemporaneous with the writers, and some detail actions from centuries before. Either way, we can place these works in the larger timeline and see the extent to which achievement and failure is captured within them.

Of course, there are often disputes about the historicity of these works, and what really were driving causes. Why did the (Western) Roman Empire collapse, anyway?

### 2. We're not emotionally invested

Well, I assume this is the case. If you're one to start bar brawls over whether Julius Caesar was maliciously assassinated or whether it was a necessary action on the part of Brutus and others ... this section is not about you.

The problem with many contemporary works on leadership, using modern examples, is that we may have various emotional responses to the people and companies involved. Yes, generally not to the level of bar brawls, but enough such that it clouds our abilities to assess the situation fairly.

I may not be able to be fairly critical of Steve Jobs, as the halo effect from all the fun I've had with Apple products since 1987 has made me far from impartial. Likewise, I may not be able to appreciate the finer points of Bill Gates as I recall the horror that was Vista.

But I have no particular emotional tie to people such as Themistocles, Pericles, Xerxes, Leonidas, Vespasian, Augustus and so forth. I can appreciate positive and negative accounts of each of these people. I am not wedded to a particular perspective with respect to them, so if I read an account that contradicts a prior view, I won't necessarily dismiss it out of hand because I want the result to be a certain way.

The distance in time and geography helps, which makes it a more abstract exercise.

Enough of why you should read these works. Let's consider what you should read.

## LEADERSHIP PROFILES: PLUTARCH'S LIVES OF THE NOBLE GREEKS AND ROMANS

The easiest work to connect to leadership is Plutarch's *Lives of the Noble Greeks and Romans*. Written in the late 1<sup>st</sup> century A.D., Plutarch takes several famous Greeks and Romans and pairs them up, first

writing a profile of each man and then writing an analysis making a head-to-head comparison of the two for most pairings.

The pairings are not accidental – Plutarch attempts to pair each with someone of equal stature. For example, Alexander the Great is paired with Julius Caesar, both to represent great conquerors untimely cut down (in one case by disease, in the other, by assassins). The legendary founder of Rome, Romulus, is paired with the legendary founder of Athens, Theseus.

Let me pick a particular pairing to give you a flavor of Plutarch's work: the Athenian leader Themistocles and the Roman five-time dictator Camillus. Both men ended exiles from their homelands, but for different reasons, and before exiled were extremely effective commanders of their cities.

While Leonidas, the stalwart Spartan king who held the pass at Thermopylae, is the favorite with respect to Greek leaders of the Persian Wars and, most recently, of the movie *300*, let us remember that he died in his efforts. Valiantly, to be sure, and holding off the Persians as others prepared to deal with them, but ultimately Leonidas and his followers did not survive. They were not the ones who effectively ended the Persian threat against the Greek mainland. That was for the far-seeing Themistocles (who also always made sure to take care that he was protected in the event of failure).

First, there was the stroke of luck in a major silver strike for Athens. But more than that, rather than plowing that money into public buildings or a windfall for the citizenry, Themistocles convinced the citizens of Athens that money should be spent on building up a navy. This navy was crucial in the actual defeat of the Persians.

One of Themistocles' main issues in his piece of the Persian Wars, especially after Leonidas's defeat and the destruction of Athens by the Persians soon after, was keeping the ships of other Greek city-states with the Athenian fleet at Salamis. He used every

persuasive tool in his kit, including outright bribery, to keep everyone from leaving Attic Greece to the Persians and hiding out in the Peloponnese. He threatened that the Athenians themselves would take their massive fleet with them to start a New Athens somewhere else on the Mediterranean. He held the Greek forces together for a time, but he knew that the various admirals were restive, and could bolt at any moment.

He came up with a ruse, sending one of his most trustworthy servants to Xerxes. He sent the message to the Persian potentate that the Greeks were readying to flee, and that Xerxes should take advantage of the weakness by bottling up the Greeks and barring their escape. Love and kisses, Themistocles.

This ruse prevented the retreat of the allies, but also allowed Themistocles to take advantage of the geography. The Greek ships backed up, feigning retreat from the advancing Persian fleet, as a large crescent starting to envelop the Persian forces clustered in the middle. As the Greek ships almost backed up to the surrounding shore, the signal to attack went up. Due to the narrowness of the straits leading out to the open sea, the Persians couldn't flee effectively and had their own ships colliding with each other.

There was an absolute rout of the Persians that day. Themistocles wanted to chase the Persians and utterly destroy them, but even in war the Athenians were democratic and he was overruled. The other Greek leaders had no interest in bottling up Persians in the Greeks' backyard. They were very happy to see Xerxes and crew hightail it back to Persia. Themistocles, realizing an opportunity to make friends where others would not, sent another letter to Xerxes, this time claiming that he was the one to convince the Greeks to let the Persians go back home. "Don't forget who your friend is. Smooches, Themistocles."

This would come in awfully handy years later when Themistocles himself was booted from Athens with that peculiar Athenian institution of ostracism. Ostracism was a substantive process whereby those

**Themistocles, realizing an opportunity to make friends where others would not, sent another letter to Xerxes, this time claiming that he was the one to convince the Greeks to let the Persians go back home.**

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a bit too big for their britches would be officially exiled from the city for 10 years, as the result of popular vote. Due to the hidey-hole he had built himself by pretending to be Xerxes' best pal, Themistocles ended his days as a local leader in the Persian Empire himself. He wouldn't be the only Athenian who ended up working for the Persians due to exile. Themistocles' adventures are detailed not only in Plutarch, some 600 years after the fact, but also Herodotus, who flourished within decades of the events described. While obscure from the distance of millennia later, it seems that Themistocles got himself the reputation of being extremely fond of self-dealing and abusing the power he achieved.

Camillus, the Roman dictator paired with Themistocles in Plutarch's account, was much less wily. Of course, this is the characterization that comes to us from Plutarch. Part of Plutarch's program is to show how crafty those sneaky Greeks were, and how the Romans improved on that model. However, Plutarch shows that Camillus, like Themistocles, overreached after his particular triumphs.

A quick digression on the Roman office of dictator: during the time of the Roman Republic, during which Camillus lived, dictators would occasionally be elected, for the limited period of up to six months and for a particular purpose, almost always involving a war. Camillus was a particularly successful general, and his dictatorships were granted for concluding particular military actions.

However, Camillus also overreached his power, similar to Themistocles, and ultimately was exiled from Rome. This is one of the very few pairings for which we don't have Plutarch's commentary of a head-to-head comparison, but the connection is clear.

The lesson Plutarch brings with these two is that achievement in one area (war) does not mean one can overreach one's position elsewhere (here, the city at peace). People's patience will be stretched only so far, and even powerful leaders can find

themselves toppled when they test the limits of their popularity.

**Similar work:** *Twelve Caesars* by Suetonius. Far less high-minded than Plutarch, Suetonius does a tabloid review of Julius Caesar and the first 11 emperors of Rome (including those four who were emperor within the same year). The gossip passed on by Suetonius became the foundation for Robert Graves' novel *I, Claudius*, but it also details the leadership strengths and weaknesses of each man in turn.

## EXCELLENT TALES, ACCESSIBLE TO ALL

For all the reasons I detail above, close reading of these works are likely to be both edifying and entertaining. All are available, for free, in e-book format (via Amazon's Kindle store, the Gutenberg project, and MIT's Internet Classics Archive, to name a few free sources). Translations appropriate for our current English usage are coming out all the time. With resources such as Wikipedia, one can look up unfamiliar names while reading and get broader context. Indeed, many e-readers have built-in lookup functions for the very purpose. There are free audio book editions at sites such as [www.librivox.org](http://www.librivox.org).

If anything, we suffer from a surfeit of information due to its sheer cheapness. We merely have to pay for it in time. So if you're going to spend some of your precious time, why not spend it on some of the best? ●

### END NOTES

- <sup>1</sup> *Editor's Note: Watch for Mary Pat's review of two more important classics in the next issue of The Stepping Stone.*

# What's Your Superpower?

by John Hadley

I listened to the book *Linchpin* by the outstanding branding and marketing expert Seth Godin. His basic premise is that you have a choice - you can be a factory worker or a linchpin. A factory worker focuses on doing repetitive tasks well. A linchpin applies unique skills, expertise or knowledge to add additional value and become indispensable.

If your focus is on those factory worker tasks, you will continually lose ground in your career. Your role becomes a commodity, and as soon as others are found who can do it cheaper or faster, your position is in danger. Your role can easily be outsourced or automated.

As actuaries, we like to think of ourselves as linchpins. After all, we studied very hard to achieve our professional designations, and are recognized as having unique skills. But are you a linchpin among other actuaries?

This is particularly apropos when you are in a career search. The most successful here are the 'Career Search Linchpins' who figure out ways to distinguish themselves from everyone else and truly master niche marketing. Instead of worrying about their competition, they focus on what makes them unique to stand out in the crowd.

Toward the end of Seth's book, he asks, "What's Your Superpower?" Figuring out your superpower is the key to distinguishing yourself.

Seth drew the analogy to comic books, where the lesser known superheroes would always introduce themselves by describing their superpowers. This made them memorable.

So how do you introduce yourself to networking contacts, hiring managers and executives at your company? Do you present your superpowers? Do you even know what they are?

When you present a title, like "I'm a pricing actuary" or "I'm a project manager", you aren't presenting a superpower. You're just telling the



listener into what slot to place you, along with all of the other people who are in that same slot. You're making that listener less interested in even hearing about your superpower, and 'tainting' it by whatever baggage that person attaches in their own mind to your opening statement. (*"Actuaries are boring and can't communicate."* *"Project managers are too process oriented."*)<sup>1</sup>

When you tell someone "I can work in many industries", "I can do lots of things", or "I have transferrable skills", any superpower you might have presented begins to decay. You are avoiding the laser-like focus that generates true engagement and raises your profile in your stated niche.

## WHAT IS A SUPERPOWER?

It's the project manager who is able to take troubled multimillion dollar projects and deliver them on time and within budget.

It's the pricing actuary who can design products that increase market share while still achieving profit objectives.



**John West Hadley** is a career counselor who works with job seekers frustrated with their search, and professionals struggling to increase their visibility and influence at work. He can be reached at [John@JHACareers.com](mailto:John@JHACareers.com) or 908.725.2437. His free *Career Tips* newsletter and other career resources are available at [www.JHACareers.com](http://www.JHACareers.com).

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## SO WHAT'S YOUR SUPERPOWER?

This is the tough question for many. We're not so comfortable taking a hard introspective look and coming up with those, much less presenting them in public. But that's the essential component of marketing!

Particularly many job seekers get beaten down by the frustration of marketing themselves and not getting the recognition they feel they deserve. They haven't learned to present themselves in terms of their superpowers, and lack of success in their search begins to make them feel like they don't have any.

## LET ME ASSURE YOU, YOU DO HAVE SUPERPOWERS!

Your past bosses recognized them, and the colleagues who enjoyed working with you

recognized them. It may just be that they came so easily to you that you didn't actually acknowledge them as superpowers. (For more on this, see *Do You Know How You're Doing?* at <http://www.JHACareers.com/KnowHowYoureDoing.htm>)

You just need to get deeply in touch with your own superpowers, so you can present them with confidence. That will truly engage people, and start the upward spiral that leads to interesting new opportunities. ●

### END NOTES

- <sup>1</sup> *Note that I'm not saying that these are true statements, just that they are examples of common baggage listeners might attach to those opening 'titles'.*

# Reflections on an Overseas Assignment

by Allan Ryan

**A**s an international organization consisting of member firms in countries around the world, PwC has an established program of international assignments where individuals from one member firm work in another country's member firm. Prior to retiring from PricewaterhouseCoopers (PwC) in 2009, I spent two years on an international assignment in Tokyo, Japan with the Japanese member firm, PricewaterhouseCoopers Aarata.

In my capacity as the senior U.S. actuary in Japan, my primary role was to support the audits of the firm's life insurance clients with Japan subsidiaries, including two of Prudential Financial's life insurance subsidiaries: Prudential Insurance Company of Japan and Gibraltar Life Insurance Company. Other audit clients included AXA's Japanese life insurance companies, subsidiaries of the French insurer, and Sony Life Insurance Company. In addition to the audit support work, there were actuarial consulting projects, some involving the U.K. and U.S. actuarial firms as well.

The audits of Prudential's subsidiaries were on a consolidated U.S. financial statement basis. AXA's audits were on an International Financial Reporting Standards (IFRS) basis, and we also performed an embedded value review of AXA. Sony, while a Japanese company, did report on a consolidated U.S. basis for filing purposes in the United States. All of the Japanese insurance subsidiaries also were required to prepare financial statements on a "JGAAP" basis, in accordance with the regulatory authorities. The JGAAP actuarial audit support was provided by Aarata's actuarial practice.

I, along with another actuary from the U.S. firm on international assignment, worked with audit teams headed by a U.S. audit partner and audit managers from the U.S. and France, also on international assignment with Aarata. Japanese audit partners, managers and staff also worked with us on the audits, as well as individuals on assignment from the U.K., Australia and other European countries. Some of the Japanese we worked with had spent time on assignment with the U.S. and other countries' firms.



The Aarata actuarial practice consisted then of about 10-12 individuals, including five fully qualified members of the Institute of Actuaries of Japan (IAJ), one of whom is also a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

Our international client companies also provided international assignments, whereby Japanese personnel would spend time in the parent company, and parent company employees would have assignments in Japan. As examples, AXA and Prudential had U.S. qualified actuaries in Japan. AXA and Prudential also had other positions filled with individuals from their French and U.S. parents.

My assignment at the end of my career with PwC was somewhat unusual in that international assignments are typically looked at as career growth opportunities. Being close to retirement, I did not initially fit the profile for this position, but for various reasons, PwC had difficulty finding an individual for this assignment at the time, so when I



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**I would encourage a younger actuary—in fact an actuary at any stage of his or her career, to take advantage of an international assignment if the opportunity presents itself.**

expressed interest, I was offered the assignment. To my advantage, I had made several shorter trips to Tokyo earlier with PwC, around the time Gibraltar was acquired by Prudential.

PwC encourages foreign assignments, and provides the appropriate support to the deployed individuals, helping to make such a move successful. This includes not only the business side, but housing, school for children, home leave and other travel back to the United States, as well as the nuances of living in a foreign country, and sensitivity to cultural differences, including providing language lessons.

In summary, living in one of the cleanest, safest and most efficient cities, with a remarkable number of natural areas including parks and nature centers,

this assignment was a rewarding experience, for my wife Ellen and me. We also enjoyed visits from our grown children. We were able to study and speak Japanese, and travel throughout the country. We made lasting friends with Japanese and expatriates from the United States and other countries. Professionally, the experience was extremely satisfying.

Looking back at my experience, I would encourage a younger actuary—in fact an actuary at any stage of his or her career, to take advantage of an international assignment if the opportunity presents itself. Particularly for those with an interest in other cultures and travel, the opportunity to work in another country will allow you to broaden your business perspective and provide a rewarding personal experience. ●

# Do We All Really Need to be 'Sales People'?

by Wayne Bidelman



**H**ave we not all heard throughout our careers that “we are all sales people” or “everyone in our organization is in sales”? Does it nauseate you sometimes, because ‘sales’ to you is not only uncomfortable but also has a connotation of aggressiveness and being gabby? I would submit that we do not all have to be sales people per se, but we cannot avoid having to sell.

Before deciding that you already know where this is going and/or you feel that you are a sufficient sales person, please hear me out. Indeed, my trite conclusion is that we all have to sell at times in our careers – whether it is to sell our self (job interview), sell an idea (to gain exposure and/or leadership position), or to sell a product or service (or our organization or our own business). And here is my last clichéd statement – the simple solution to effective selling is preparation – and preparation that anyone can do!

Stay with me ... since here’s the deal. If you think you are great at sales, I would submit that you are probably not as good as you CAN be. Because you have confidence in your gift for gab and your ability to describe or respond to anything, you probably seldom feel the need to prepare.

And if you are the stereotypical actuary and tend to be more analytic and process oriented, you actually have a greater ability to be GREAT at selling! Here’s why ... First of all, how to sell effectively CAN be learned by anyone. As actuaries, we have had to learn our whole careers, not only to pass the basic exams but on an ongoing basis if we are to retain our actuarial capabilities and credentials. An actuary also tends to be a person who can embrace preparation as a means to feel comfortable doing something that might not be natural – and once prepared, gains the confidence to move ahead.

My story? I fit this stereotype. However, now part of my coaching of independent business owners involves the proper marketing and sales techniques. Because I am experienced and trained to be able to help anyone regardless of the type of business they are in, I focus on the basics – the things we all think we know – or do know – but seldom put to work for ourselves. Let me use a personal example just to make my point.

I used to hate to network and I dreaded walking into the reception/cocktail hours at SOA and industry meetings. How did I get over this? I prepared, believe it or not.



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I spent the time just ONCE to write down a list of questions (which eventually became a mental list) that would be useful in a conversation with anyone – rapport-building questions, questions about their business roles, etc. Even if you are talking to someone you know, there is a series of questions you can think of in advance to initiate and keep the conversation going. It is easy! And the simplest thing of all is, if you are talking to someone for the first time, you need to make your discussion all about them. People love to talk about themselves. They will love you – before they even know anything about you. Isn't that the initial objective? And the final key: prepare in advance in writing how you describe yourself and your business – see below.

I'll bet you have heard of a Unique Value Proposition, or Unique Sales Proposition. OK, I am starting to sound cliché again, but this is key to highly effective sales efforts. The simple message is: prepare in advance the best possible way to describe/define yourself, business, product or service (as the case may be), making sure to focus on how you or your product/service is different from other comparable people or things that will come to mind and what you can say to compel the

people who could be interested in what you have to sell to want to hear more. This is one of the most powerful sales techniques, and it costs nothing to implement – other than your time!

This article would become way too long if I were to go through the multitude of techniques to come up with the best possible Unique Sales Proposition (USP). I have a list of very specific questions I ask clients to elicit creative content for their USP (which I would be happy to share, if you want to contact me). However, do NOT worry about perfection with this, nor delay pulling your thoughts together. A well-thought-out something is better than nothing – believe me! Here are some of the key things to remember in your final Statement:

1. Do NOT just describe who you are or what your proposal or product/service is. In the end, no one really cares...
2. They only want to know what you or it does for them, so DO state what those things are!
3. Include how you are different from anyone or anything competing with you.
4. Pay attention to BOTH the rational and the emotional side of things (i.e. don't just describe features and benefits, describe how you or it will make them feel and gratify them, etc.).
5. Provide a guarantee with your proposal. (This is powerful, but a whole separate topic. I guarantee that you can come up with a guarantee within your USP – which by definition is a technique that gets rid of that last major concern of the prospect before they make a decision about you and/or your proposal.)

Short of getting assistance in pulling this together, merely start writing down sound bites (as many as you can think of – and be creative) covering each of the major areas above. Divide those sound bites into two or more “themes”. For example, the themes

for a description of you might include: experience, knowledge, business philosophy. For a product or service: value, buying experience, reliability. For a business proposition: strategy, financial viability, value to organization.

Once these themes are created, divide up all of your sound bites under the appropriate theme. This gives you the basis for putting together a good USP description – and can be tailored to any type of situation (30-second ‘elevator speech’, interview, article, formal presentation, advertisement, etc.). You could pick and choose your best advance thoughts from this document depending on who the audience will be and the amount of time or space you have for your presented USP. The point is that this USP is something that you (and any people who work for or with you that also help you ‘sell’) work into EVERY conversation with people you want to ‘sell’, as well as people who know people to whom you want to ‘sell’ – and is consistently heard by everyone, be it through a networking discussion, an article, a speech, an advertisement, description on your website, etc.

A couple of key supporting sales tactics include testimonials (which you can write yourself – ask me how) and scripting. The thought of ‘scripting’ typically creates a big “ugh” from everyone, but it is the key to effective and consistent selling. Your script (or outline of what you are prepared to say) not only includes your USP but also includes anticipating and writing down the best responses to every possible question and challenge you could get on your proposal/description.

How powerful would you be at selling yourself, your proposal, or your product or service if you craft in advance the best possible way to describe it (USP) AND have already come up with the best possible responses to every possible question or challenge you will get? This process takes some work, but can easily be dynamic and improved over time. Some of us actuaries are cautious about trying anything because we are not sure it will be perfect; again, this is nothing more than collecting your best thoughts in advance to put yourself, your proposal, your product/service in the most positive light. You can do it! ●

**Some of us actuaries are cautious about trying anything because we are not sure it will be perfect ...**

# Lessons From A Toothache – Part 3

By David C. Miller



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This is the final entry in a three-part series<sup>1</sup> about what I've learned about selling from having a royally painful toothache.

## SO FAR WE'VE LEARNED

We discussed two lessons (or principles) regarding pain:

### Lesson #1: No Pain = Lack of Urgency

If a prospect is not purchasing your product or service, they are not experiencing enough pain with their current situation.

### Lesson #2: Action Is Directly Proportional to the Amount of Pain Experienced

To be successful selling product, services or ideas, we must find the pain the prospect is experiencing and and it must be acute enough to take action now.

We have discussed two strategies in prospecting and selling that make use of these principles.

**Strategy #1** deals with how we target our prospecting. In other words, we want our marketing to focus on *“attracting prospects who are already consciously aware of the pain of their current situation.”*

**Strategy #2** is all about *“helping the prospect in front of you become painfully aware of the current problems (pun intended).”* This involves being skillful in asking the right questions in the right order during a selling conversation.”

In this final entry we will look at a third strategy to non-manipulatively utilize the concept of “pain” to grow your business and influence.

### Strategy #3: Bide Your Time Until The Pain Is Acute

Strategy #3 addresses prospects who are qualified in that they are experiencing the “right” problems, but the timing is not quite right (i.e., the pain is not acute enough yet).

This whole series was born out of my experience with a painful wisdom tooth. I got that handled with

urgency once the pain was bad enough. However, I have three others *that have yet to be extracted*, even though my dentist has strongly recommended I do so. Why? Not a priority. If they start hurting, I'm sure I would be on the phone quickly making an appointment with the oral surgeon.

Here's the deal: I know logically it's in my best interest to get this done. I know it makes sense, but other priorities are currently distracting me. I intend to get it done, but after I take care of other things first.

Have you had this experience with prospects? They definitely have a problem where you can help. They are totally aware of the problem, but the consequences don't feel acute enough to take immediate action.

What are we to do in this situation?

## TIME IS ON YOUR SIDE

You certainly want to use the techniques described in Strategy #2 first. If those don't work, we are dealing with a *timing problem*.

What that means is that you need to allow more time for the problem to become big enough that they want (or need) to solve it immediately.

Just as putting off taking the remaining three wisdom teeth out may come back to bite me (I know, bad pun!), problems don't tend to disappear, they tend to grow, accumulate and get worse.

When you revisit the situation with your prospect at a later time when the pain is much greater, you should have a much greater chance closing the deal.

## BUT THERE'S A PROBLEM

Most consultants and business owners do a poor job of keeping in touch and following up with their prospects. Here's what typically happens:

1. you meet with a prospect,
2. they are interested, but not ready,
3. you (correctly) move on to other prospects who



might be ready to buy now (see Strategy #1), and 4. you (incorrectly) lose track of this original prospect – they fall off the radar screen and when the time comes that they are ready to move ahead with your services, you missed the opportunity!

## THE ANSWER

In order to avoid this problem, you must develop a “keep-in-touch” (aka KIT) system that ensures solid target prospects don’t fall off the radar. Your KIT system needs to include three core elements.

### 1. CRM Database

“CRM” stands for “client relationship management”. If you are truly prospecting full out, then you will have many prospects to keep track of. They will be in various stages of the selling process. It’s critical to have a system to keep track of your prospects, along with key information like:

- Contact information
- Details of your conversations with them
- Next steps

Depending on the type of business you have, your system can be as simple as using an Excel spreadsheet to as robust as something like Goldmine or Infusionsoft.

One thing that is critical in your system is to have reminders about when to contact your prospect

next, whether this is automated or you mark your calendar.

### 2. KIT Follow-up Strategy

You need to decide exactly how you will keep in touch with your prospects. Keeping in touch should include more than calling to “just check in to see if you are ready to engage me”. You can increase “touches” if you don’t always make it about selling. It can include one or more of the following:

- Newsletters** – whether by email or snail mail, having a monthly newsletter is a great way to keep yourself in front of prospects. It has several benefits: it is leveraged, it provides valuable information, it develops the relationship, and, without you focusing on it, will pass you in front of the prospect possibly at the perfect time!
- Event Invitations** – a great way to call a prospect without selling is to invite them to a free or low-cost seminar or webinar. This provides value to them and reminds them about how you can help them.
- Articles** – send articles of interest about their problem areas.
- Cards and Letters** – send cards through snail mail celebrating holidays, birthdays, etc.
- Phone or Lunch Check-ins** – finally, your KIT strategy should not exclude checking in with your prospect about the specific issue you originally met about or any other issue they may be struggling with. This also applies to clients.

For example, I remember scheduling lunch with a previous consulting client in order to catch up and see what was going on in her world. It turned out the client had no major needs at that time. But here’s the power of a KIT strategy: she called me the next day to hire me for a project. Apparently, right after a lunch she attended a project meeting and had some challenging deadlines. She even told me, “I don’t know if I would have thought of you if we didn’t just have lunch!”

### 3. Your Discipline to Keep on Task

Having a robust database and a KIT strategy will

**Keeping in touch should include more than calling to “just check in to see if you are ready to engage me”.**

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only be effective if you have the discipline to take action and follow up with your prospects on a regular basis. You can automate much of this follow up. Depending on your business, you may still want the personal touch of voice-to-voice or face-to-face follow up.

Remember, these days prospects have short attention spans and short memories. It takes some work, but persistence pays off. A strong KIT system will make sure you are top of mind when their need is great enough to take action. Make sure you don't miss your window of opportunity! ●

#### END NOTES

<sup>1</sup> *Editor's Note: You can catch up on the series by reading Part 1 in the November 2011 issue and Part 2 in the May 2012 issue of The Stepping Stone. Both are available on-line at [www.SOA.org](http://www.SOA.org). Just click on The Management & Personal Development Section paragraph on the Professional Interests page.*

# Ethical Decision-Making for Actuaries – Part 1

by Frank Grossman

## 1. SEEING IS BELIEVING

Have you ever heard someone say, “I don’t know anything about art ... but I know what I like”? It’s the right side of their brain talking. That we each have our own innate preferences is hardly earth-shattering news. But this has an important corollary: not everyone sees things exactly the same way you do!

Given this diversity of human experience, perhaps one’s esthetic sense provides a useful analogue for one’s ethical sensibility. The subjective nature of what we see—that is, what we think we see—was neatly described a century ago by Edgar Degas:

One sees as one wishes to see, and it is that falsity that constitutes art.

Additional insights about human perception may be drawn from Degas’ fundamental observation. First, regarding our self-image, we see ourselves as we wish to see ourselves. And second, we tend not to see what we don’t wish to see. Both of these “falsities” stem from the perennial risk of self-deception ever-present in the human condition, and they underlie the study of ethics.

## 2. LIVING IN BLACK AND WHITE

A frequently encountered, and yet fundamental, question is how does an “ethical decision” compare to a “moral decision”? How are they similar? And, indeed, what makes them different?

Moral decision-making relies on the existence of moral principles or rules. A brief visit to a dictionary will confirm that moral principles are concerned with a) goodness or badness of character or disposition, or b) the distinction between right and wrong. Decision-making on a moral basis requires virtues or values defined in absolute or black and white terms. And, for many people (including actuaries), this presupposes the existence of a moral authority which has unambiguously defined those rules.

Steven Pinker has written engagingly on language and cognition, including our moral sense and the effect of “moralization” associated with a black and white worldview. Moralization is a judgmental mindset, and it has a couple of defining qualities. First, the rules it invokes are felt to be universal. Second, people feel that those who break moral rules, and thereby commit immoral acts, deserve to be punished. Hence, it’s okay to inflict pain on a person who has broken a moral rule, and it’s morally wrong to let transgressors escape unpunished.

The curious thing about adopting a black and white mindset is that it can take one to surprising places. Whether something is considered a question of sin and virtue or simply a matter of personal choice can change over time. Morals are mutable! So much so, that some issues our grandparents thought were clear-cut are contentious moral terrain today—and vice versa!

For example, in days past, some people didn’t smoke. That was their personal preference and their right—and in retrospect, a prudent choice given the deleterious effect of tobacco. And for those who chose to smoke, their decision was similarly based on their right to do so. Smokers and non-smokers coexisted, breathing the same air, in relative peace.

As the harmful effects of secondhand smoke became more widely understood, smoking evolved beyond something that was merely socially undesirable but tolerated, and came to be seen as a potentially lethal threat to the health of non-smokers. Exposing unborn and young children to secondhand smoke became damning evidence of parental dereliction. And not acting to remove this threat constitutes an immoral act in the eyes of some today. (Have I overstated my case? Well, how do you react when you see an expectant mother lighting a cigarette?) Indeed, smokers today are increasingly ostracized, and smoking is prohibited in many public places and worksites. The days of print and television advertising that prominently displayed pictures of people enjoying a “good smoke” are long gone.



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**The curious thing about adopting a black and white mindset is that it can take one to surprising places.**

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**Much more frequently, people align their black and white judgments with their own self-view and preferences.**

Alternatively, Pinker notes that some human behaviors have been “amoralized”, or transformed from being seen as moral failings to merely “lifestyle choices.” Afflictions that centuries ago were thought to be “payback” for bad moral choices have been rebranded as “unfortunate consequences” today. For example, syphilis was once viewed as the consequence of a dissolute life, and sometimes even referred to as the “wages of sin”. Yet syphilis has since evolved from an apparent moral judgment to a “sexually transmitted disease” (STD), and is now described clinically as a “sexually transmitted infection.”

According to Steven Pinker, whether a certain behavior “flips” our mental switches to create a state of moral judgment isn’t simply a function of how much harm it does. Much more frequently, people align their black and white judgments with their own self-view and preferences. This is not so much moral reasoning as moral rationalization. What this suggests is that actuaries making decisions on the basis of self-professed absolute truths risk being undercut by their own cognitive biases. It may be better to embrace the ambiguity of contemporary actuarial practice, and not attempt to resolve it in strict black and white terms. Welcome to the “gray-zone.”

### 3. THE ETHICAL PLANE

How might we move forward regarding ethical decision-making in the absence of absolutes? A construct with three elements may be helpful. First, there exists an ethical plane, a landscape of diverse outcomes in relative position to each other, over which we live and work. Some outcomes on the ethical plane are “better” than others (i.e. the light gray ones), and some outcomes are definitely worse than others (i.e. the dark gray ones). Sometimes the topography obscures our field of vision, and it’s even possible to become disoriented and lose one’s way amid the pervasive gray of the ethical plane.

Second, we are capable of overt action as social agents on the ethical plane. Actuaries can influence outcomes, and even influence others who, in turn,

can act and influence outcomes. This means that we are, at least in part, responsible for where we are situated on the ethical plane, and hence the decisions that affect our location on the plane. One gravitates toward better outcomes by demonstrating technical proficiency, exercising sound judgment, and placing one’s client’s interest before one’s own interest.

And third, our individual assessment of outcomes on the ethical plane is completely subjective. We each tend to see things differently, and need to appreciate that other people may not see things exactly the way we do. A subjective outlook makes it harder to see clearly, to navigate successfully, and to collaborate ethically with others on the plane.

Notwithstanding the widespread public perception that actuaries can predict the future, our work is largely not about being “exactly right”. In fact, given our focus on probabilistic estimates and present values, not being materially wrong is often a good outcome on the ethical plane. In this respect, actuarial practice is similar to playing horseshoes or lobbing a hand grenade: “close” may well be good enough.

### 4. AIDS TO NAVIGATION

Aside from moral law and its strictures, what can we rely on to guide us toward better outcomes on the ethical plane? Public rules—common law, statutes, regulations, corporate policies, and actuarial standards—certainly provide essential guidance and support for ethical decision-making. Yet, these rules, if not clearly communicated and embraced, require interpretation and can be subject to misinterpretation, or even gamed by those seeking security in so-called “safe harbors”.

Personal standards provide another basis with which to evaluate decisions and outcomes. For example, the “Bathroom Mirror Test” is the challenge of being able to look at oneself in the bathroom mirror each morning and recognize the unvarnished actuary therein. The advent of the 24/7 news cycle has transformed the threat of adverse publicity and approbation underlying the “How Would This

Decision/Outcome Look on the Front Page of the Newspaper Test”. And then there is the ultimate ethical standard: “How Would I Ever Tell Mom?”

Dov Seidman, the founder and CEO of LRN, a firm which helps companies develop more ethical cultures, has summarized the importance of values when making decisions.

Laws and regulations tell you what you can do, but values tell you what you *should* do. There is a difference between doing that which you have a right to do and doing what is right to do.

In a similar vein, Claude Lamoureux, a prominent Canadian actuary, periodically recounts the “Ed Lew Rule” that he first heard as a newly-minted actuary some 40 years ago. Ed Lew was our 1973-74 SOA president, and when making a commencement speech to a cohort of new actuaries he said:

When you have to make a decision, always make the choice that will let you sleep better, not the one that will let you eat better.

According to Claude Lamoureux, the appeal of this simple rule is that it is both profound and at the same time easy to understand—good reasons not to let the remembrance of its basic insight fade from our collective actuarial memory.

## 5. PHILIPPA FOOT’S ARMCHAIR PUZZLE

Perhaps the best known thought experiment or armchair puzzle used to test how people respond to ethical conundrums is the Trolley Problem. First articulated by Philippa Foot in the 1960’s, the Trolley Problem exists in many forms and variants. Here’s the basic dilemma:

You see a trolley car hurtling down the track, with its conductor slumped over the controls. In the path of the trolley are five men working on the track and

oblivious to the danger. You can pull a lever that will divert the trolley onto a spur, saving the five men. Unfortunately, the trolley would then run over a single worker who is working on the spur. Is it permissible to throw the switch, killing one man to save five?”

During a session at the 2011 SOA Health Meeting, an overwhelming majority said yes:

**Table 1: The Trolley Problem**

Is it permissible to throw the switch, killing one man to save five?

Yes	No	?	Total
79	21	8	108
73.1%	19.4%	7.4%	100.0%

One of the many follow-on variants to the Trolley Problem was the Footbridge Problem developed by Judith Jarvis Thomson:

You are now on a footbridge overlooking the tracks and have spotted the runaway trolley bearing down on the five workers. Now the only way to stop the trolley is to throw a heavy object in its path. And the only heavy object within reach is a fat man standing next to you. Should you throw the fat man off the bridge?

An overwhelming proportion of the session attendees said no:

**Table 2: The Footbridge Problem**

Should you throw the fat man off the bridge?

Yes	No	?	Total
15	83	4	102
14.7%	81.3%	3.9%	100.0%

“When you have to make a decision, always make the choice that will let you sleep better, not the one that will let you eat better.”

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**It's not the cost-benefit analysis' arithmetic that's suspect, but rather our ability to identify and assess outcomes with equanimity.**

Though both dilemmas presented an opportunity to sacrifice one life to save five, support for taking overt action varied dramatically. (It may be worth noting that the Health Meeting results are in-line with responses to the problems generally.) The utilitarian principle of “the greatest good for the greatest number” suggests that it’s okay to both throw the switch, and the fat man off the bridge, to achieve a similar, beneficial outcome. The arithmetic is the same in each case. Yet, four out of five said they would throw the switch, while one in six said they would throw the fat man off the bridge. Why is that?

Armchair philosophers have gone round and round with these puzzles and failed to arrive at a clear answer. Such is the ambiguity of the ethical plane. One theory proposed by cognitive scientist Jonathan Cohen is that it is humankind’s revulsion at the prospect of physically manhandling an innocent person that translates into less support for taking action in the Footbridge Problem. Cold-eyed cost-benefit analysis is trumped by our basic human sensibility, or so it would seem.

## 6. NOT SO SIMPLE ARITHMETIC

Straightforward application of the utilitarian principle would seem to offer a sound basis for making ethical decisions. Yet, this isn’t always the case as illustrated in the preceding section. On reflection, the several risks of cost-benefit analysis should be readily apparent to most actuaries:

- under/overstatement of the costs/benefits of the various outcomes;
- under/overstatement of the likelihoods of the various outcomes; and
- failure to take all relevant factors into account.

Factors not properly taken into account may include not only exogenous inputs to our models, but also factors that were not considered at all. It’s not the cost-benefit analysis’ arithmetic that’s suspect, but rather our ability to identify and assess outcomes with equanimity.

There is, however, another decision-making approach—a particularly important one for actuaries.

During the latter half of the 18th century, Immanuel Kant espoused a basis for decision-making in sharp contrast to “the greatest good for the greatest number” approach. Kant thought that individual action should be evaluated based on its adherence to one’s societal rights and duties. Most everyone has “rights” today, and much energy is expended defending and extending individual rights. So, it’s that last little bit about “duties” that runs counter to much of our contemporary culture.

Kant thought that our duty could not be divorced from our right. He also understood that we can never be entirely certain that we are acting from our sense of duty alone, since our true motives can be complex and are often veiled from us. Kant concluded that, notwithstanding the risk of self-deception, we ought to set ourselves to act in accordance with our duty to others. The concept of a professional’s obligation to others ought to have some resonance with actuaries. Our Code of Professional Conduct’s first precept says as much.

An Actuary shall act honestly, with integrity and competence, and in a manner to fulfill the profession’s responsibility to the public and to uphold the reputation of the actuarial profession.

So, if Immanuel Kant were up on a bridge confronted by the Footbridge Problem, what would he do? Simply throwing the fat man off the bridge would be unthinkable—it would be murder! In such a situation, a familiar phrase comes to mind: “the ends don’t justify the means” ... or do they?

In the world of sports, for example, there is a saying frequently attributed to Vince Lombardi that calls for a “win at all costs” attitude:

Winning isn’t everything. It’s the only thing!

Dietrich Bonhoeffer, a theologian from the first part of the last century, offered another perspective on a win at all costs world-view, and the potency of success.

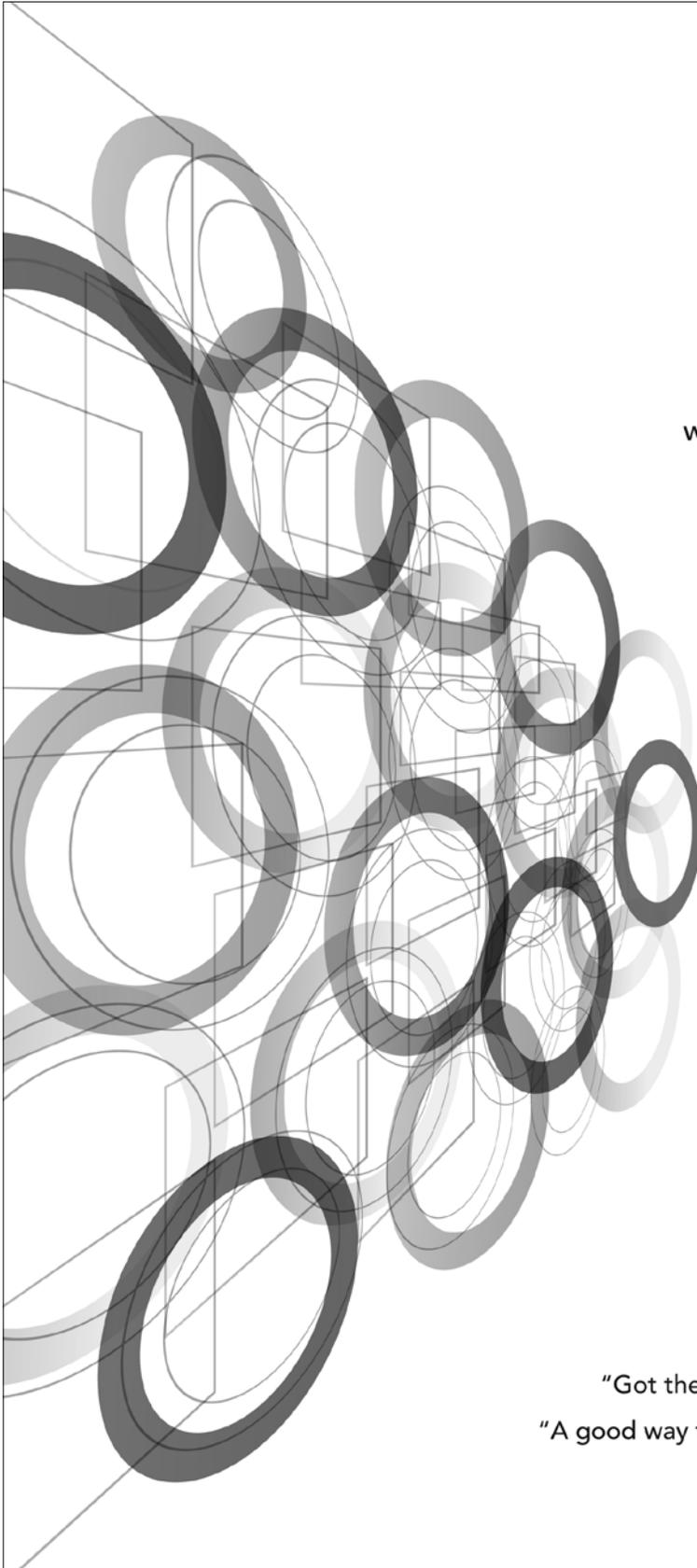
In a world where success is the measure and justification of all things ... (t)he world will allow itself to be subdued only by success. It is not ideas or opinions which decide, but deeds. Success alone justifies wrongs done. ... With a frankness and off-handedness which no other earthly power could permit itself, history appeals in its own cause to the dictum that the end justifies the means.

So, what about those pesky means? Have you ever seen them in action, actuarially-speaking? Shortcuts, quick fixes, and abbreviated methods are all assuredly means to a desirable end. Maybe even a greater good, namely the delivery of the “right” answer, using existing models and data, and not a minute too soon. Yet, pity the poor fat man on the footbridge—as the trolley hurtles down the track—hoping, beyond hope, that the person beside him on the bridge is *not* an actuary with a utilitarian mindset.

*Editor's Note: Watch for the conclusion of “Ethical Decision Making for Actuaries” in our November issue of The Stepping Stone. ●*



“With a frankness and off-handedness which no other earthly power could permit itself, history appeals in its own cause to the dictum that the end justifies the means.”



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# Vulnerabilities of the Actuarial Leader: Part I

by Brian Pauley and Andrew Marley

Like many technical professionals (physicians, attorneys, accountants, etc.), actuaries require a great deal of training and expertise. Armed with such unique knowledge, actuaries add great value to the workplace. However, those in leadership roles must watch out for eight vulnerabilities that will erode workplace relationships, team morale and effectiveness. In this issue, the first four are examined.

## VULNERABILITY #1: ADDING TOO MUCH VALUE

When you are out of the office, does production slow down? Do team members struggle to make to make decisions without your input? Are you inserting yourself in meetings and demonstrating your intellectual prowess? If so, you are adding too much value.

Adding value is a good thing. Adding too much is a problem. It creates a bottleneck of dependence on you which limits the progress, development and momentum of your team. You also need to work to create the right kind of value. As a leader, your priority is to facilitate, not demonstrate, knowledge through the power of your team.

To begin the process of adding the right kind of value, here are a few suggestions:

- Leading is more about listening and less about talking. If adding too much value is a problem for you, you must limit your speaking time. You do not need to share your opinion on everything.
- Offer more praise and encouragement. Resist the temptation to confront others' ideas and suggestions with your version of a "teaching moment" that leaves them feeling deflated and stupid.

## VULNERABILITY #2: SUFFERING FROM 'THE LONE RANGER' SYNDROME

Remember The Lone Ranger? Each episode featured him riding into a seemingly hopeless situation

only to flawlessly implement a solution to right all wrongs. This makes great fiction. Unfortunately, it creates a dysfunctional team in the real world.

The key symptom to watch for is the belief that you are the only person able to save the day. Technical leaders can find it difficult to effectively delegate without a barrage of unwanted micromanagement. You can beat The Lone Ranger syndrome, but it requires a focused effort and a desire to allow your team to move the ball across the goal line.

To cure a case of The Lone Ranger syndrome, start with these suggestions:

- Let your team partner with you in making it successful. Your team does not exist for you. You exist for your team. Team members are not looking to be your side kicks, like Tonto was for The Lone Ranger. You don't get to "Hi-yo, Silver! Away!" into the sunset unless you take the team with you.
- Be comfortable with good enough. Leaders should demonstrate a standard for the team's work product. However, expecting perfection or something just like you would do is dangerous. It can result in your team producing nothing and you producing everything.

## VULNERABILITY #3: DISREGARDING THE IMPORTANCE OF CULTURE

Take some time in an upcoming week to analyze how you spend your work hours. Break it into half-hour increments. After doing that, determine the percentage of time allocated to technical work (budgeting, spreadsheets, methodologies, etc.) and how much is allocated toward culture.

S. Chris Edmonds, culture consultant and author of the book *#Corporate Culture tweet* recommends that all leaders spend a minimum of 50% of their time on culture. Technical leaders are likely to find



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that they do not spend anywhere near this amount. Effective leaders make time for activities such as improving team morale, staff 1-on-1's and giving feedback (to name a few).

This does not imply that technical work is unimportant. The existence and well-being of your company clearly depend on it. However, leaders must heed the advice of leadership expert John Maxwell when he says "people are your most appreciable asset." Author and speaker Jon Gordon reminds us "it's not the numbers that drive the people but the people and the team that drive the numbers."

To begin the process of spending more time on culture, consider the following:

- Don't cancel 1-on-1 meetings with team members. Shifting them around for a vacation or a critical conflict is acceptable, but do not cancel them.
- Set aside time every day to be available for your team. Welcome them to drop by. Being available has a remarkable impact on your team. Mentoring, coaching, and removing barriers for people can't always wait for you to free up from a day full of meetings. If you can't make time for this, consider restructuring your role.

#### VULNERABILITY #4: RELYING ON PAST ACHIEVEMENTS

Technical leaders are typically accomplished individuals. They worked hard, earning well-deserved degrees and credentials. As a result of their expertise, successes, and perceived potential, they then achieved promotions to the leadership ranks. Unfortunately, this leaves them susceptible to coasting on these past accomplishments. Even worse is when they feel entitled to the position and no longer work to improve.

Having a strong, technical foundation of knowledge is important. However, to succeed as a leader, a new set of competencies must be developed and mastered. Remember that your past accomplishments merely gave you a chance to lead others. Now, you must turn up the dial and find ways to do things such as connect with others and put their success above your own. People may be impressed with your accomplishments, but to lead effectively, you must add value to them.

To begin the process of disassociating yourself from your accomplishments, here are a few suggestions:

- When sending email, avoid putting your designation-laden, position-announcing signature at the bottom. Only do this when it is absolutely necessary. Otherwise, it only serves to remind everyone you are accomplished or hold a lofty position.
- Begin a leadership résumé where instead of listing your own, you list the accomplishments of those under your leadership. As a leader, their accomplishments determine your effectiveness.

*Editor's Note: Brian and Andrew will discuss vulnerabilities 5 through 8 in the November issue of The Stepping Stone. ●*

## BOOK REVIEW:

# Being Geek: *The Software Developer's Career Handbook*, by Michael Lopp

Review by Mark Danburg-Wyld

**M**ichel Lopp is the author behind the blog “Rands in Repose” (<http://www.randsinrepose.com/>), which is worth checking out. Some of the material in this book (and his earlier book, *Managing Humans*) was originally published on that blog, but the bulk of the book is ‘new content’.

There are some obvious similarities between software developers and actuaries (analytical mindset, geeky personalities), as well as some obvious differences (no credentialing system exists for software development). But very little of the book is specific to being in software development; most of the focus is on management of smart, driven, professional geeks - yourself included.

The first section of the book is called “A Career Playbook”, and focuses on the search for meaningful work - dealing with recruiters, locating a gig, interviewing and negotiating a reimbursement structure. All good, sensible advice which translates well to any professional field. Chapter 6, “The Button”, is on surviving the interview process. Lopp suggests methods for dealing with a variety of personality types you might encounter in this situation (“Chatty Patty”, “Slick Steve”, etc.) and recommends how to deal with each of them. “Silent Bob: Don’t get rattled ... Bob’s the senior technical guy on the team, and his social skills just aren’t that good. He’s there to vet your technical chops and that’s it ... He’s not qualified to assess team fit or cultural fit, and he knows this, so show him what you’ve got.”

The second section is “Deconstructing Management”, and covers managing your manager, office politics, meetings (avoid or improve them), networking, recruiting, and so forth. Chapter 15, “A Deep Breath”, recommends a weekly three-meeting structure: a one-on-one with each person, and a staff meeting near the start of each week, and a “look what we built” meeting near the end of each week. “It’s not just during a crisis that this calm, repetitive meeting pattern pays off - it’s always ... An obsessive meeting schedule is an investment in

the boring, but by defining a specific place for the boring to exist, you’re allowing every other moment to have creative potential.”

Section three is “Your Daily Toolkit”, parts of which are too specific to software development territory for a general audience. It did not help me to learn which programs Lopp does most of his programming in, although the concept of bringing the right tools to the job is a useful one, the examples were too far outside my experience to translate. But other chapters, such as “How to Not Throw Up” (on presentations), are useful to anyone.

Section four, “Your Next Gig”, is largely about how and when to jump to the next step of your career. But parts of it are more generally about evaluating how life is going. For example, Chapter 36, “No Surprises” deals with the much dreaded annual review process, and I have found it helpful to re-read each year.

Parts of the book will be useful to you no matter where you are on your career path, and the details are different enough from actuarial work to make you have to think through how it applies or doesn’t apply.

Highly recommended. ●



Mark Danburg-Wyld, FSA, MAAA, is a senior actuary at PacificSource Health Plans. He can be reached at [mdanburg@pacificsource.com](mailto:mdanburg@pacificsource.com).

There are some obvious similarities between software developers and actuaries (analytical mindset, geeky personalities), as well as some obvious differences ...

# Fiction and Football

by Jennifer Fleck



Jennifer Fleck, FSA, MAAA, is a director at The Hartford. She can be reached at [jennifer.fleck@thehartford.com](mailto:jennifer.fleck@thehartford.com).

**H**ow much time do you spend thinking about your personal development plan? Some years, when you are starting a new role, it can be pretty clear what you need to focus on. In other years, you may need to stretch yourself more.

A few years ago, I was in that comfortable place of knowing my job and being a local expert on various things, but I still wanted to challenge myself in my development plan. I decided to increase my awareness of how I felt about different situations in order to determine how I needed to improve. In the process, I came up with two areas that I found myself trying to avoid.

The first area was writing. Sitting down in front of a blank Word document left me paralyzed. I always managed to procrastinate when it came to writing reports or even long emails. I didn't struggle with the right grammar or structure, but putting my thoughts on paper was hard. I decided that the best way to attack my fear of writing was to write. But write about what? I needed topics and deadlines or I would just procrastinate.

I signed up for online writing classes at Gotham Writers' Workshop ([www.writingclasses.com](http://www.writingclasses.com)). I took Creative Writing 101 followed by Mystery Writing I. Because they limit class size, I was able to interact with my instructors and fellow classmates just like a live class. These classes gave me the opportunity to face my fears and just do it. Inspired by Denise Tiller, I even wrote a mystery story with an actuary as hero. Denise is one of the authors of the reinsurance text that we've all studied from over the years, but my inspiration came from a novel she wrote called *Calculated Risk* about an actuary caught up in a murder-mystery.

The next area in which I needed more confidence was sports. That doesn't sound like a normal actuarial skill, and it probably wouldn't even occur to those of you who are fluent in sports, but for me it was an issue. I worked for a reinsurer and I often had the opportunity to interact with clients. I was perfectly comfortable chatting with them until the topic turned to sports—I often struggled to

determine which sport they were even talking about. My family has no interest in sports, so I had very little background to work with. I decided to start with football. Just sitting down to watch football did little to keep my attention, so when the opportunity arose to join a fantasy football league, I nervously joined in. The competitive nature of the fantasy game gave me a reason to be interested. Slowly, I started understanding the game. I'm no expert, but I can at least enjoy watching a game now, and add something small to a sports conversation. I even decided last summer that the Giants would be "my team"—mostly because I had a lot of them on my fantasy team and I could always see their games on TV here in Connecticut. That worked out well for me. We had a great time inviting over our Patriots-fan friends for a Super Bowl party!

So, what about you? Which areas make you squirm? Be honest with yourself. None of these need to go into your official personal development plan. (I never put "watch football" on my official plans.) How do you want to improve yourself beyond your technical skills? Jump in there and do it. Force yourself do that whatever it is you are avoiding until you realize it's not so bad. You never know, you just might gain some new interests. I'm writing this article (starting from a blank Word document) while eagerly awaiting the start of football season. How are you going to grow this year? ●

# You, Too, Can Be an Optimist

by Doreen Stern, Ph.D.

“I wanna read this book,” I exclaimed out loud, even though I was sitting in the library at Manchester Community College, after my writing group had ended. It didn’t matter to me. A book about optimism mentioned in *The New York Times* by science correspondent Jane Brophy, called out to me. Maybe it could help me finish the book I’m writing. Or form the foundation for this article, due a week hence, which I intended to submit early. Or perhaps light a candle in my life. So I jumped up and hurried over to the reference desk.

“I’m looking for *Breaking Murphy’s Law* by S. Segerstrom,” I told the prim woman sitting behind a computer. “Do you have it, or can you tell me which library does?”

I must confess: Searching for obscure books is standard operating procedure for me. You see, I’m trained as a researcher. Plus eons ago I won the “Librarian of the Year” award in my 1,500-student high school graduating class, when I didn’t even know such an honor existed. Paradoxically, I was also nominated for “Football Queen.” Go figure. Both experiences probably helped shape who I am today.

Last Tuesday, the reference librarian slowly shook her head in response to my query. “Hartford Public has it, and Connecticut State University,” she said, mentioning two local libraries.

O.K., I thought. *Hartford Public is on my way home. It would be good to stop there anyway*, recalling how that morning, when I’d tried to renew a book over the phone, a man had informed me that a volume I believed I’d returned was still marked as outstanding on my record. That’s the kind of thing that’s best to resolve in person.

A two-edged sword awaited me in Hartford. A circulation assistant easily found the book still charged to my card on the “New Nonfiction shelf,” but there was no sign of Segerstrom’s offering. Perhaps a patron had walked off in an effort to become more optimistic.

Yet all was not lost: the assistant printed out a list of the 12 libraries in Connecticut that had her book.

I noted that that one of them, St. Joseph’s College, was located less than two miles from where I live. Surprisingly, I’d never been there. A quick Google search yielded the phone number, which I tapped into my iPhone. That way I could inquire about the book’s availability and the library’s borrowing policies.

“Yes, we own the book, but you have to be a St. Jo’s student to check out material from our library,” the person who answered the phone said. “You’re more than welcome to read it here, though.”

O.K., I reflected, *time for a visit to St. Joseph’s College*.

When I arrived on campus, I happily parked in an open spot labeled, “Reserved for Visitors.” *That’s me, right?* I smirked.

I soon spied a good-looking, muscled 20-something male whom I questioned about the library’s whereabouts. “Make a right turn at the end of the sidewalk, and the library’s straight down on the left,” he said. Easy.

Finally, I pulled open the building’s heavy door and asked a young woman sitting behind the circulation desk in the 1950s-era red brick building for the book. She rose to retrieve it, and placed it in my hand, with a smile. Then she pointed me toward an elegant reading room.

When I cracked open the book, I discovered that my pilgrimage to the Pope Pius XII Library at St. Joseph’s College, was a vivid example of how to boost one’s inherent optimism: **set a goal and take action**. And keep at it.

Why? It improves your state of mind. Dramatically.

Optimism, I learned, is not a positive emotion like happiness; rather, it’s a belief about the future.



Dr. Doreen Stern is a motivational speaker, writer and success coach in Hartford, Conn. She is currently working on a book titled, *Change Your Life in 17 Minutes!* She can be reached at [DoreenStern.com](mailto:DoreenStern.com), or at (860) 293-1619.

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Optimistic people believe that more good things will come to them than bad; that things will go their way; and that the future will turn out the way they hope, or maybe even better. Also, optimists believe that uncertainty is an opportunity for circumstances to improve, rather than plunge them into darkness.

Furthermore, optimistic *beliefs* set up a positive feedback loop: the more confident folks are, the more they can expect to experience the rosy future they imagine.

Now, here's the fascinating thing I learned: optimism isn't about cheerfulness or good moods: **No, it's about motivation and persistence.**

According to Segerstrom, persistence is the road that leads to more optimism and happiness. "How can that be?" you might ask, just as I did.

Whether you decide to put in more or less effort depends on your expectations. If you think your

efforts will produce positive outcomes, you're more likely to put your nose to the grindstone. But if you think your efforts will come to naught, you're unlikely to exert the effort.

Yet in pressing forward, you change. You change your view of the world, and what you believe you can accomplish. You can even change your brain's neural networks.

Think back to your own experience with your actuarial exams: Did your expectation that you'd pass your exams help you put in the long hours required to do so? Or did you sometimes languish in self-doubt, berating yourself that you should be doing more? But not mounting the necessary effort?

No matter what your experiences were then, you CAN become more optimistic starting this very day! Here's how: Identify a goal, one that's important to you, which will increase your autonomy, competence and relatedness. These are called "intrinsic" goals (as opposed to "extrinsic" ones that focus on attaining wealth, fame and image).

Take small steps toward the goal you've set, just like I did in obtaining a copy of Segerstrom's book. When obstacles arise, as they undoubtedly will, get back on the path.

Here's an example of one of my intrinsic goals that I've had difficulty achieving: going to sleep earlier. Bedtime comes and goes, with me still writing, reading or even trying on clothes. How do you think I feel the next day? If the words exhausted, spent or grouchy come to mind, you've hit the nail on the head. I've decided to change – to shut my light off at 10:30 – to brighten every moment of my life.

Here are the actions I intend to take to achieve my goal: First, to turn off my computer at 8:00 each night, and not restart it until the next morning. If a pressing concern crosses my mind, I'll merely write it down in a spiral notebook I keep on my desk.



Second, to remind myself of my resolve, I've set two alarms on my iPhone—one for 7:40 in the evening, as a warning that it's time to finish up what I'm working on. And another for 9:30, to remind myself it's close to stopping time for whatever I'm doing.

Third, knowing my recalcitrance to call a halt to any activity in which I'm engaged, even knitting or reading, I've set the alarm on my bedroom clock for 9:45: It will tell me it's time to start running my bath (baths relax me).

After my bath, I intend to read for a few minutes, and then shut off my light promptly at 10:30. (Yes, I'll set another alarm for that.)

Now I know this sounds like a lot of work for a relatively easy activity, like going to sleep earlier,

but I've been down this road before. Plus I know that research shows that when we identify the exact steps we'll take to complete a task, the likelihood of our achieving our cherished goal increases by leaps and bounds.

This time I plan to succeed, since it will increase my optimism. And show me that even things I've failed at before are possible.

How about you? What intrinsic goal will you set today, and which small steps will you take to achieve it?

One last thing: I'm excited to tell you that I did indeed achieve my goal of submitting this article early—three days before the due date—a watershed achievement for me! ●

# Book Review:

## How to be a Finance Rock Star

by Meg Weber



Meg Weber is director of section services for the Society of Actuaries. She can be contacted at [mweber@soa.org](mailto:mweber@soa.org).

I first became acquainted with Nicole Fende in my role as staff partner to the Entrepreneurial Actuaries Section. Earlier this year it came to my attention she had recently published a book: *How to be a Finance Rock Star – The Small Business Owner’s Ticket to Platinum Profits*. Nicole is The Numbers Whisperer™, a credentialed actuary and an entrepreneur. And she is very enjoyable to talk to! I decided if the book was anything like her, I couldn’t pass up the opportunity to read and review it for *The Stepping Stone*.

I’m sure many of us dream about becoming entrepreneurs and being our own bosses. I have not been a small business owner, but have been *this* close. Prior to the SOA I took a detour from insurance to work in a small metal fabricating company. It was very exciting after years in insurance to be working where the outputs were so tangible! (Check out the ceilings and eagles in Terminal 3, American, at O’Hare to see some of the product.) However, shortly I realized I was not interested in becoming a partner in this business. The company had some serious cash flow issues. The lead sales person was working in the shop, instead of generating new business. It quickly became no fun to have to decide, after payroll, which suppliers would get paid this week.

If only they had read *How to be a Finance Rock Star...*

The book should be required reading for would-be entrepreneurs. As the title conveys, it is a “how-to” manual. Using music industry/rock star examples, Nicole walks through the fundamental steps and considerations for starting up and managing a small business.

The book has flow. It also has humor. Many aspiring entrepreneurs may fear or dislike numbers, but Nicole disarms them. She grabbed me in Chapter 4 with creative ways to fund a new business. Yes, there *is* literally gold in those closets and bartering has not totally gone out of style.

Other key points... Goal setting that includes selling time. And business owner vacation time may be something most entrepreneurs do not factor in.

The pricing chapter may be an area most actuaries can take for granted, but too few small business people give it the attention it deserves. Is it possible to make something and sell it for what I need to live like a rock star? When is it time to step up?

Throughout the book there are lots of other references and QR codes for those of us with smart phones, and they support rather than distract from the read. (Am I the only one who gets annoyed reading a book that makes me stop reading and do a paper and pen type of exercise? With smart phones, I no longer have to drop the book to check out a reference.)

My conclusion is that there is a lot of Nicole Fende in *How to be a Finance Rock Star*. Besides her practical advice she provides emotional (mostly through humor) support for the budding business person. It is more a book by, rather than for an actuary, but I recommend it. If you or someone you know is contemplating starting a business or is in the early stages of a new business, this will be a useful and fun tool to make sure the bases are covered. And you also get Nicole’s rock and roll playlist as a bonus. To learn more about her, go to [www.TheNumbersWhisperer.com](http://www.TheNumbersWhisperer.com). ●

# You Haven't Heard About the New Online SOA Directory?

by Kenneth Birk

Just when you thought you mastered the art of mingling during a professional networking reception, along comes another way to network and build your brand – creating a comprehensive profile on the Society of Actuaries Online Directory. Imagine a single place online to consolidate all of your essential professional details, including a bio, a photo and links to your professional and personal websites, such as social media, that you would be interested in sharing with others. All this would be on a website that is familiar to everyone in the actuarial profession. Well, you don't have to imagine anymore, as the Society of Actuaries has made this a reality.

This revamped version of the Society of Actuaries Online Directory operates very similar to before, but has a new section for each member to input biographical information. The biographical information that members can enter include a profile picture, a professional biography (limited to 500 characters), and personal / social media links. These personal / social media links are categorized by company link, Facebook account, LinkedIn account, personal link and Twitter account. Users can input information at their own discretion after agreeing that the information provided is true and accurate, and professionally appropriate for use in the Online Directory of Actuarial Memberships. In addition to SOA members, all of the SOA's sister organizations will be able to use this utility. Just as before the upgrade, the public will be able to view all of the posted content, so be mindful of what you display!

As you begin to assemble your newfangled profile and explore others', let me share with you a top 10 list of sometimes humorous but always important gaffes to avoid when taking your directory entry to the next level:

## **10. Remember the professional code of conduct and avoid advertising for business in a misleading way**

The world is small when it comes to business

and much smaller when it comes to the actuarial profession. Advertising misleading information on profiles will not end pretty for your business and your career. Make sure to provide all the relevant information in your profile and refrain from including any inaccurate details. The new directory is not a place to forget about the code of conduct.

## **9. Cater your message to your (entire) audience**

Investing in your online brand means your visibility is increased. Superiors, peers, subordinates, clients, competitors, regulatory authorities and the general public now have a direct line to your background. Don't overshare your personal details. No one wants to hear about your Saturday night karaoke endeavors. At the same time, don't forget to tailor your image to accomplish your professional goals.

## **8. Let your personality shine through**

When you're building your brand, you want to connect with people because, who knows, you may work with them in the future. Showcase your volunteerism, your strength in organizational skills, and other unique qualities of yours that will give others an impression of who you really are and that you are passionate about what you do. Don't be afraid to include a photo that strikes a balance between professionalism and approachability.

## **7. Refrain from leaking your confidential new product**

Looking to keep your résumé current with up-to-the-second details of the super secret product or project you're working on to highlight your true market value? Not so fast. Be mindful about the detail you're sharing and always be cognizant that everyone can see what you post.

## **6. Regularly take full advantage of this great capability**

Just saw a great speaker at a SOA meeting? Thought this person would be a great fit to help your company? How about if you're speaking at a conference and someone needs information about you after they see you have a wealth of experience?



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**Don't overshare your personal details. No one wants to hear about your Saturday night karaoke endeavors.**

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Don't be afraid to use these profiles to facilitate the sharing of knowledge, content and ideas.

**5. Don't use these new capabilities as a replacement for face-to-face networking opportunities**

In today's fast paced world, more and more people are sitting in front of a computer and doing a great deal of networking from that exact location. It's also easy to say that in comparison, face-to-face networking is time consuming and you meet fewer people. However, face-to-face networking enables you to establish a personal connection with a particular individual. There's no substitute for earning trust and developing a working relationship by making eye contact, monitoring body language, and investing personal time. Furthermore, just because your network is developed online doesn't mean relationships stay there. Be sure to make the most of the new online SOA directory by regularly engaging with your newfound contacts in person at industry conferences and meetings.

**4. Privatize unprofessional / personal photos from last year's Halloween party**

Unless you were dressed up as an actuarial student frantically cramming for your upcoming fall exam, your photos might scare your professional stakeholders. Don't let this happen. Remember to use Facebook privacy settings and manage your online image the same way you manage your image in the office.

**3. Communicate a consistent message: Don't list yourself as a pricing director at Company ABC on LinkedIn and the CEO of John Doe, Inc. on Facebook**

We know you've done it all, but does the employment history on your résumé match what you're communicating? If the pages you are making public are conflicting with each other, you may want to spend some time making sure you're communicating a consistent message. It's okay to rework your job descriptions, as targeting your résumé is a good thing when applying for job.

What's not ideal is if your job titles, companies and dates don't line up. It doesn't look good for prospective employers and it's confusing for those trying to understand your background.

**2. Don't tweet that you hate your job**

We know you have followers but don't expect any from your current company (and probably others) if this is your message. Think of any non-private posts or tweets as an email to the entire SOA online directory, because it's guaranteed that someone will read it.

**1. Don't let this innovation be the reason you get fired or lose professional credibility**

Done properly this new capability can propel your career to the next level. For example, if you're looking for a new job or positioning yourself for career growth, an online presence where you can showcase your skills and experience can make the difference in taking you where you want to go. Your online profiles will also help you connect with contacts who can expedite your job search and assist you with moving up the career ladder.

However, with opportunity comes risk. It takes a long time to build trust with your professional network, but it doesn't take long to lose it. Monitor what information you share and you will be surprised at how many doors this new feature will open for you! ●



# Business Book Reviewers Wanted ...

## No Prior Experience Required!

**THE MANAGEMENT & PERSONAL DEVELOPMENT (M&PD) SECTION COUNCIL** is reaching out to all section members to share their insights via written reviews of interesting business books for our third annual Business Book Review Contest. Well-written submissions will be featured in *The Stepping Stone* and on the M&PD section web page. These reviews will serve our membership as a resource for great books on subjects that the M&PD Section is all about.

You can choose any book you find informative and interesting related to management and/or personal development. Your book review can be as formal or informal as you wish, and the target length is 300-500 words. If you are struggling to get started on your review, take a look at the "Conversion on a Plane to Dallas" article in the May 2012 issue of *The Stepping Stone*.

We look forward to reading and sharing your reviews!

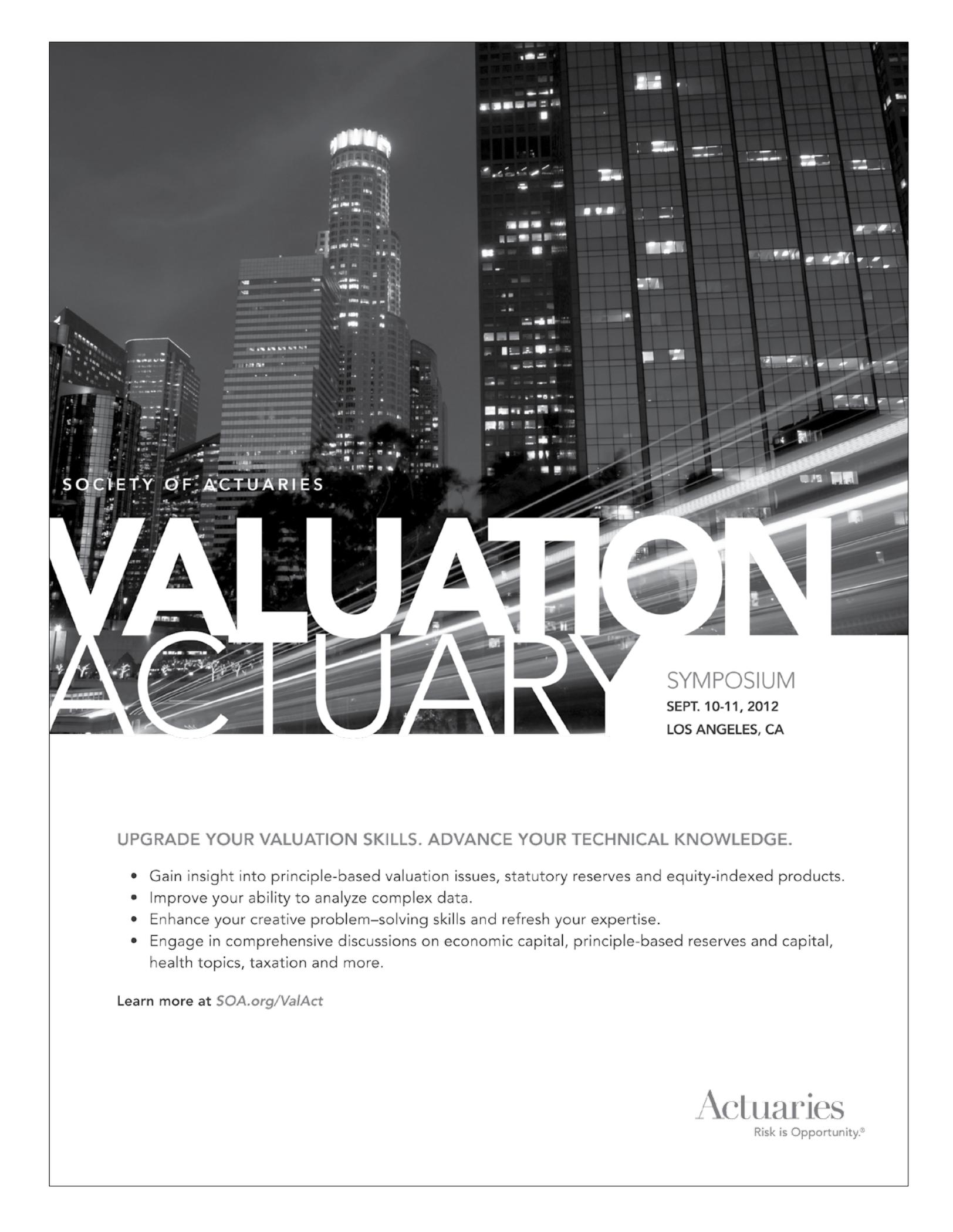
### The Fine Print

- You must be a M&PD section member to enter. To join the M&PD Section, visit our section membership page at [www.SOA.org](http://www.SOA.org).
- The subject of your review should be related to management and/or personal development.
- All submissions should include:
  - The full title and name of the book's author;
  - The publisher, and edition or page count of the book; and
  - Your contact information (telephone number, email address).

Five randomly drawn contributors will each receive a \$20 bookstore gift card.

Deadline: Please email your book review to Jill Leprich at [jleprich@soa.org](mailto:jleprich@soa.org) by **September 30, 2012**.

The M&PD section council will announce the contest winners during the M&PD breakfast book review session at the 2012 SOA Annual Meeting & Exhibit in October.



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