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Skills Needed to Survive the Recession

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NOTE: The views expressed are those of the interviewees and not necessarily those of their employers.

During this year's Annual Meeting, the Actuary of the Future Section sponsored a session entitled "Skills Needed to Survive the Recession." The session sought to highlight the skills needed in the current environment and helped attendees recognize how these skills differ from when it's business as usual. No matter where one is on the corporate ladder, adapting to this change is essential to surviving the current economy.

While preparing for the session, the panelists considered several questions on actuaries' minds during this time of change. Highlights are presented below.

Actuary of the Future: What are the key skills needed in the current environment?

Bob Morand: From a functional perspective, strong modeling experience is a key element clients seek in today's environment, as well as exposure to and experience with economic capital. The key is to keep your background relevant to what is transpiring in the overall industry.

"WE SHOULD BE MORE CONFIDENT IN THE SKILLS WE BRING TO THE TABLE."

Dale Hall
Vice President And Chief Actuary
Country Financial

From a personal perspective, actuaries with strong communication skills will trump those who do not have them. In addition, the ability to explain complex concepts to both technical and non-technical audiences in a clear and concise manner are skills needed not only today but are necessary for future advancement.

Dale Hall: Communication and teamwork skills are good places to start, but there is a growing need to focus on being innovative and finding creative solutions. Being able to place yourself in your client's shoes is needed more than ever before since they face increasingly harder choices as to how to spend their time and money.

I think there is also a need to continue to have confidence in your skills more than ever before. Sometimes we as a profession have a tendency to react strangely to any success or failure. For example, we perform a timely and useful analysis within our company, or we obtain a coveted consulting project and then tell ourselves, "Well, we really lucked in to that one." In reality, it's our reward for working hard and smart. We should be more confident in the skills we bring to the table.

Kush Kotecha: I believe the main skill needed is focused initiative. In these times, it is common for employees to become more proactive than they might otherwise be, in an effort to show value. However, in many cases their efforts are often scattered and lack direction. It is essential to identify the top few initiatives which can truly add value to both the company and one's career path.

AOF: How do these differ from those considered necessary when it was business as usual?

DH: If you think of the skills you need as a balance between "what you do" (your accountabilities) and "how you do it" (your competencies), then the balance has swung to emphasize your competencies. In today's environment, you begin to see that resources are tight, so there are better opportunities for those who can go beyond their accountabilities.

KK: Expenses are being watched with more scrutiny and labor is one of the largest expenses to hit the bottom line. As such, adding value is key. Although these skills are



recognized regardless of the environment, they are further applauded during times of economic hardship.

BM: [These] skills always have been needed to varying degrees. In today's market, however, those who have finely honed their communication skills and have pursued areas of current industry relevance have a crucial advantage over those who haven't.

Joe Paesani: Today's climate provides more uncertainty, ambiguity and confusion, and hence more fear, trepidation and tendency to not take action. In this type of environment, those who can master these skills are far better positioned to succeed than those who cannot.

AOF: How has this skill shift affected the way senior management approaches their role?

KK: In general, management will have less time to "baby-sit" staff. Although mentorship will still exist, their time is more valuable and will be spent on market-facing efforts or ensuring current initiatives proceed with limited errors. It is thus imperative that employees become proactive.

DH: When senior management knows that resources are tightening, there's a quick reaction to ensure they are investing in the right projects, and investing in their staff is a project that will be a top consideration. You might

recall an old icebreaker exercise where you are shipwrecked and have but a few moments to decide which five items among 20 choices to pile into your lifeboat to survive. It forces you to make decisions about what items have value not only in the first few hours, but also might be helpful should help not arrive for several days. That's a good analogy to the situation senior management may face — what employees and which skills do I need to bring along for the ride ahead?

"ADDING VALUE IS KEY."

Kush Kotecha
Actuarial Advisor
Ernst & Young

AOF: What can individuals do to highlight their value?

JP: Demonstrate that they can generate profit, reduce costs or both, and become a more visible contributor within their organization.

BM: [Agreed,] be visible. Take on or volunteer for projects. Make yourself known to all areas of the company, not just actuarial, by speaking with the leaders in those

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areas — not in a “suck-up” manner, but from the standpoint that you and your actuarial background are interested in all facets of the company and industry. Actively mentor more junior people in the company, even outside of your defined role, if appropriate. Speak at conferences and publish articles. Be active in the Society and, in doing so, build yourself as a brand (for example, become a subject matter expert).

DH: There’s a great opportunity to highlight how your skills and competencies are consistent with the needs of the firm. You should take a step back for a moment and ask, “What’s important to the firm’s current and future success?” Even if investment in future development is down at a firm, it’s not zero. So further embed yourself in things that will be critical to develop over the coming years. Not only will it expand your knowledge, it can help emphasize your teamwork skills and give you a glimpse of how your firm can be successful for many years to come.

DH: I think smart business requires you to make sure that if your tangible assets might be declining in value, you should be sure to have intangible assets that are appreciating. In our current environment I firmly believe that your intangible asset of “your personal network” is something that can grow exponentially in value. If you don’t have a broad network of industry peers, now’s the time to develop it. If you do, make sure you’re keeping connected to what the current topics and thoughts in your industry might be. Investing a small amount of time along these lines will pay strong dividends. ☆

“BUILD YOURSELF AS A BRAND.”

Bob Morand
Partner
D.W. Simpson

“WHILE TIMES LIKE THESE PRESENT CHALLENGES, THEY ALSO PROVIDE OPPORTUNITIES.”

Joe Paesani
New Venture Actuary

AOF: What else should actuaries keep in mind in the current environment?

JP: [A number of these skills] have traditionally been viewed as “soft” skills, and hence often get viewed as an after-thought. The average manager in the United States spends less than one day per year on self-development. Actuaries already face the perception of being technical experts and not much more. While times like these present challenges, they also provide opportunities for growth for those able to see and develop themselves to capitalize on the opportunity.