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An Unorthodox Guide to Actuarial Communication (Part 1)

By Dave Snell

Writing this article took me a few hours … and 50 years. I'll start with a disclaimer. I have no degrees or certifications in writing. For much of my life I was a terrible speller … still not great. However, I write a lot and I enjoy it.

This article is going to seem a lot like it is oriented toward speaking rather than just writing. That's because I believe the two are highly correlated. If you force yourself to write short speeches, you will build the skills to write short reports, short proposals, short summaries, and so on, and you will have the opportunity to practice with all of your friends, who probably won't be as willing to read your memos as they might be to listen to your ideas.

In this article, I will not be reiterating all the standard rules you will get in a book on writing. There is a plethora of books on grammar and on writing. You are actuaries. You know how to read and study books. *Elements of Style*, by William Strunk Jr. and E.B. White, is a wonderful reference, and you can get it at very low cost. In fact, a Kindle version is currently *free*!

If you search Amazon for books, or Google for websites, you will find more material on the basics of writing than you can ever read. My intent is to skimp on anything readily available from other sources and give you a different perspective on writing—one that I have found useful in an actuarial environment.

WRITE, WRITE, WRITE!

First, though, I have to repeat a common theme in books on good writing. If you wish to get a comfort level with writing, then you have to practice writing. I want to emphasize it: Practice does not always make perfect; but avoidance almost always results in inferior or mediocre work when you actually have to do it.

When my wife was starting a graduate program in English, the professor in the first class asked each student why they were taking the class. The student just before her said he was in the English doctoral program, and he was in it because he wanted to be a famous popular writer. The professor said that if he wanted to become a famous popular writer, he should get out of the classes and start writing, because no famous writer other than J.R.R. Tolkien had a doctorate in English. The formalism of a doctoral program in English generally ruins whatever creative writing ability one might have.

My point here is that reading about writing is useful, but not nearly as useful as writing … and writing … and writing.

> I have been writing for a long time. Prior to my actuarial career, I was editor, publisher and owner of a weekly magazine, and later an engineer and technical writer who wrote a 3,000-page manual describing how to overhaul a military jet engine (which I no longer have the security clearance to read). I have authored or co-authored several chapters of Life Underwriter Training Council (LUTC) textbooks. When I was in the brokerage business, I was editor of the Redwood Empire Association of Life Underwriters (REALU) newsletter, which won the best in state award (California) for two consecutive years. I wrote the bulk of the boring patent wording for a process I co-invented involving predictive analytics and machine learning for underwriting (U.S. patent 8775218); but my preference is to write for readability.

CONSIDER YOUR AUDIENCE

In order for writing (or speaking) to be effective, it must be read (or heard), so the reader (or listener) is an important part of the communication process. I'll continue about writing; but assume the same logic applies to speaking.

The more you know about your readers, the better you can write effectively to them. Many management folks are going to be turned off by overly mathematical proposals and reports. On the other hand, a very technical actuary will not want to read pages of poetry instead of meaningful graphs, charts, tables and equations. If in doubt, try to find out the preferences of the intended readers and customize your message accordingly.

Consider your audience of intended readers:

- Technical background
- Personality
- Hierarchical position
- Cultural background
- Tolerance for "edutainment" (educational entertainment)

Additionally, always have an awareness of the unintended readers.

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ALWAYS DEFINE YOUR TLAs ON THEIR FIRST USAGE … AND YOUR tLAs, fLAs AND FLAs

TLAs are three-letter acronyms. Along with tLAs (two-letter acronyms), fLAs (four-letter acronyms) and FLAs (five-letter acronyms), they tend to be terribly overused. Never assume that your reader will automatically know them. Senior management, in particular, has its own set of acronyms and may misinterpret yours. If you want to see a vivid example of acronym ambiguity, Google SOA on a non-actuary's PC and the number of hits for "service-oriented architecture" greatly outnumber those for "Society of Actuaries."[1]

ADJUST, IF PRACTICABLE, TO THE PERSONALITY OF YOUR READER

A lot of companies have had their employees go through personality profiling. Insights is one popular service, and most of our company has participated in it. Your company may have similar initiatives. To oversimplify, in their system, each person is classified as a personality type and the personality types are assigned one of four colors. RED is a Reformer, with little patience (motto is "be brief, be bright, be gone"); GREEN is a Helper, who always wants to assure buy-in and cooperation ("show me you care"); and BLUE is the observer, who wants to assimilate a lot of facts prior to making a decision ("give me details"). Not surprisingly, most actuaries are classified as BLUE. I came out as a solid YELLOW, which is labeled an inspirer ("involve me"). My wife says it is a perfect fit for me.

I used to have a boss who was also a YELLOW, and my typical communication to him, was "Hey! I just had this idea that we could go to the moon." His answer might be "Great! But let's not limit our options like that. Why don't you also write up a plan to go to Mars and Venus? We could probably get to Jupiter by year-end."

Now, my boss is a deep BLUE. That same conversation might go like this. "The moon, you say? That sounds somewhat aggressive. Can you send me some documentation of how we might first get lift-off, airborne, altitude metrics and fuel capacity? What studies have we done to support this assertion? What fallback positions will be in place if the weather is bad?"

Now, obviously, I am overstating both conversations; and that's part of my personality. But the point here is that with some managers, you will need to take smaller steps or suffer through rounds of requests for more documentation; and with others, you don't want to bog them down with too many details and risk them losing interest before reading what you want to propose.

Watch and try to figure out the personality of your managers or management, and write accordingly. Since so many actuaries are BLUE, I offer the following tip if your proposal will be for something highly innovative and that will involve high risk. Ease into it over time. I used to have a BLUE manager and when I tried to cut through bureaucracy, it backfired big time. I wanted a PC in our department (back in the days when this was heresy). As a vice president, I had the authority to spend the princely sum of $1,000 without other approvals. Back then, a PC cost more than that, so I bought the parts separately and built it. When I tried to connect it to our mainframe, I needed the building staff to cut a hole in the floor for the connection to our network. Cutting a hole in the floor took an executive vice president (EVP) approval back then, and I was caught. Once the EVP figured out the reason for the hole, he sent me back to do about three months of cost justification for the PC.

What I learned to do with him was to give him time to get used to a new idea. In that same situation, I would come to him just before he left work and say, "Phil, I am thinking about recommending a new computer for the actuarial area but I'm still thinking it through and won't be able to recommend anything for a few more weeks." The following week, I'd stop by again and tell him, "I am making some progress on my recommendation for that new PC. I gathered project estimates from the pricing actuaries showing that the costs will be amortized in less than a month, and I hope to have something consolidated for you to see in another week." By the time I actually made the recommendation, he had lots of time for background processing and it did not seem like a scary new idea any more. In fact, he was already on board and ready to sign.

PUT IN APPROPRIATE REVIEWING TIME TO REDUCE READING TIME

"Je n'ai fait celle-ci plus longue que parce que je n'ai pas eu le loisir de la faire plus courte."
("I would have written a shorter letter, but I did not have the time.")

—Blaise Pascal (probably around 1656)

Another aspect I have to consider when writing a report to senior management is that usually, the higher in the organization, the less time she or he has to read any particular report or proposal, so pare it down as much as you can without corrupting meaning.

The phrase "less is more" sounds a bit strange at face value; but it often is true. If you can hone your main points down to a memorable sound bite ("Every kiss begins with Kay" or "Wheaties, breakfast of champions" or even a more recent one to "Make America great again"), you have a much better chance of selling your ideas.

One of the most memorable written messages in World War II was only one word long! In the battle of Bastogne, an American army unit was surrounded by the German army. The German army commander sent to the American army commander a letter requesting the Americans to surrender. Major Anthony McAuliffe, of the American forces, replied back a one-word message: "Nuts!" The ironic part of the story is that the German army was so assured of a surrender, they had moved the heavy artillery and tanks on to the next town, which was their real objective. The Germans never did manage to capture the town. McAuliffe was promoted and given the Distinguished Service Medal for saving so many lives.

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Newspapers, TV news programs and popular internet blogs tend to realize that they have to compete for your attention. They place the most compelling information up-front, to grab your interest; and they gradually bring in the details so that if you lose interest partway through, you still get their main message.

This suggestion is especially useful if you are writing a recommendation and you need a quick approval.

PAY ATTENTION TO SPELLING AND GRAMMAR

Don't let a great idea get diminished by sloppy execution. Even though spelling is not my personal strength, I have a pet peeve about spelling and details on resumes that come to me. I once saw an otherwise highly qualified IT developer who was having trouble getting a job. His resume listed his extensive expertise in C+. As many of you readers know, there is no programming language named C+. I decided to interview him anyway, and when I asked him to explain how C+ differed from the actual programming languages C and C++, he discovered that the recruiting agency had thought they had corrected a typo on his part and removed the second plus sign. He was furious. The main point here is to always insist on seeing your resume that is sent by a placement firm.

Above all: Don't forget to proofread! If possible, get someone else to proofread after you have done your own proofreading. Once, I ran one of my slide presentations by some friends in our corporate communications area and they pointed out, among other things, that I had spelled "technology evangelist" wrong on my title slide! If the document is important, try to get an independent proofreading.

TRY TO AVOID OBSCURE WORDS WHEN SIMPLE ONES SUFFICE

One member of our board of directors attended a complex science presentation I gave at Washington University. He said he had written something on a similar enterprise risk management (ERM) position and wanted me to review it. It was 29 pages, but the language was very academic and it took me most of a weekend to understand it.

My read convinced me that his ideas were brilliant, but that they would go unheeded because he was being far too academic and it was very difficult to read. He had an extensive vocabulary in English, French, Latin and Greek, and he used it throughout the document.

I prefaced my criticisms with the fact that I had to do a quick review of my Latin, and some French; and yet some terms such as "exegesis" and "eisegesis" were still Greek to me. Then I proceeded to describe his great ideas in my words and to question his overly academic phrasing.

He replied "More than a few have commented on my paper, but none more thoughtfully," and we have corresponded pleasantly ever since then.

Sometimes more common words can convey your ideas more clearly than academic ones. Likewise, be careful not to refer to stories that you know may confuse readers who have not read those stories.

Another incident I had with a boss from another continent happened when I wrote in one of my status reports that on this particular project, I felt like Sisyphus. He wrote back saying he did not know who Sisyphus was, and that I was too erudite for him. I wrote back with a link to the story of Sisyphus, the man destined to push a rock up a hill only to have it continually fall back. But I also admitted to him that he should not feel bad because I had to look up "erudite."

RESPECT THE CULTURAL DIFFERENCES OF YOUR READERS

In one of my first presentations in Australia, I talked about a new product idea that was a sure "home run." It failed to get the response I expected, because cricket was more popular there than baseball, and the more appropriate phrase would have been to "hit a six." Likewise, I missed getting impact of phrases such as "when the dawn struck," which was better expressed as "when the penny dropped." Prepare for your audience by understanding some key phrases in use. We would read the Australian newspapers and be bewildered at first by articles about the Vinnies (Saint Vincent De Paul Society), the Salvos (the Salvation Army), getting a rego for your car, and going to a physio for a muscle strain.

Back when I started studying Chinese characters, I was called into a negotiation for a service level agreement (SLA) between our IT department and one of our Asian offices. It seemed that no matter what the IT area offered, the office head kept coming back demanding one more feature in the agreement. This had gone on for a few months, where IT would try to figure out how to give the extra feature, then another one would be demanded before signing the SLA.

I sent the office head an email detailing the frustration of the support area and trying to impress upon him that we could not continue this procedure because the incentive compensation deadline for IT was only a week away; and if the SLA was not signed by then, it would be dropped entirely. The email fell on deaf ears. He still wanted extra concessions. In a moment of inspiration, I sent him an email with just these four characters:

拔苗助长

Within 10 minutes, he sent back an email saying he understood, and he was signing the current SLA. It was the high point of my success with Chinese and I was a hero to our IT area for days.

The four characters are *Bá miáo zhù zhǎng*. The literal translation is pull sprouts, help grow. These characters refer to a story nearly everyone learns as a child in China. A farmer was impatient to see his crops grow, so one night he dreamed up a way to get an edge over all of his neighbors. He got up very early and pulled each seedling up an inch or so to give it a head start. By nightfall, he was exhausted, but very pleased with himself, and told his family they would be rich because he was so clever. The next morning, to his horror, all the seedlings had died because he had destroyed their root systems; and the short meaning is to spoil something by excessive zeal. Sometimes, if you pull too hard, you destroy that which you wanted to accomplish. Like the U.S. commander at Bastogne, I used this short message to avoid a surrender—and no IT incentive compensation lives were lost.

In the next installment of this series, I plan to give practical tips on how to write to Westerners if you are Asian; and how to write to Asians if you are from the Western world. I will also give some tips on using humor in your writings—when it can be effective; and when it can be offensive.

Until then, remember first, to write, write, write! ■

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ENDNOTE

1 Service-oriented architecture refers to an architectural pattern in software design in which application components provide services to other components via a communications protocol, typically over a network. It is what millions of programmers think of when they see the TLA SOA.