



SOCIETY OF ACTUARIES

Article from:

Actuary of the Future

November 2013 – Issue 35

Could the Oracle of Delphi Foresee the Outcome of this Delphi Study?

By Steven Chin

BACKGROUND

Recently, the *Wall Street Journal* announced the actuarial profession as the best job in 2013. This is a great testimony to how the public views our profession. As the actuarial profession becomes increasingly recognizable, we have an opportunity to not only offer insight into the profession, but also ensure development and growth amongst actuaries.

While career surveys like that of the *Wall Street Journal* inform us that the actuarial profession is great, this is something we actuaries already know. However, the profession needs forward-thinking insight to help propel actuaries into untraditional practice areas and enrich actuaries professionally.

In 2009, the Blue Ocean Strategies Working Group conducted a study entitled, “Blue Ocean Strategies in Technology for Business Acquisition by the Life Insurance Industry.” The Forecasting and Futurism Section implemented a Delphi technique for this study. This technique is named after the famous Oracle of Delphi, who was believed to foresee the future.

In the fall of 2012, Hezhong (Mark) Ma led the launch of a new Delphi Study to determine what the actuarial community desires in their career. The results of the study could then be used by the Society of Actuaries (SOA) and the Actuary of the Future (AOF) Section to provide opportunities to all actuaries.

ORGANIZATION

The Project Oversight Group (POG) would be in charge of the methodology and project supervision. The Working Group (WG) would be responsible for conducting the survey, organizing responses, and preparing the draft report.

Working Group (WG)	Project Oversight Group (POG)
Hezhong (Mark) Ma*	Ben Wolzenski*
Joel Ramos	Brian Grossmiller
Evan Borisenko	Jeff Johnson
Mike Lindstrom	Hezhong (Mark) Ma
David Snell	
Steven Chin	

* indicates group leader

METHOD OF THE SURVEY

This Delphi Study began with the careful construction of 13-15 questions from the WG and POG for round one. These open-ended questions were constructed to allow participants from all practices to express their opinions on the current state of the SOA, the actuarial profession, and non-traditional opportunities. In round two, all members of the WG and POG were asked to comment, assess, and rank each of the questions. These responses were consolidated anonymously and discussed during bi-weekly Tuesday meetings.

As these meetings progressed, it became evident that a particular word choice in the phrasing of a question could lead to a multitude of responses. This was not apparent at first, but all the members of the Delphi Study took a position and argued or defended each question. This took place over a span of six months, but in the end, the group came up with nine questions.

SAMPLE QUESTION:

Actuaries have proven expertise in modeling financial income and obligations for insurance companies. Yet, we have barely penetrated the worlds of banking, manufacturing, and health services. On the contrary, over the



Steven Chin is an actuarial associate with Aon Hewitt in Lincolnshire, Ill. He can be reached at steven.chin.2@aonhewitt.com

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last few decades, other professionals with similar quantitative analysis skills are increasingly members of the Corporate suite in large insurance companies. How can the actuary differentiate herself or himself from other financial management professionals? What could the AOF section, or the SOA, do over the next few years to help actuaries differentiate themselves as candidates for the Corporate suite positions?

The next step in the Delphi Study was identifying the participants. What audience would be most suitable for this study? With the combination of the Actuary of the Future Section and Forecasting and Futurism Section, there were 1,500 distinct members to whom we could possibly send our survey. As a group, a no-go decision would be used if we received less than 40 responses or less than ten from the second round. The process of reviewing all these responses was expected to take a significant amount of time and effort. This work would be split amongst the WG.

ROADBLOCK

With every event in life comes an avenue of difficulty. Prior to conducting this Delphi Study, the SOA sponsored multiple surveys on actuarial career topics. These surveys identified issues the actuarial profession is facing. Growing our fields of practice is a necessary solution in the future. However, no survey provided the viable solutions for these issues. Based on the success of the Delphi Study, we believed the method could continue to be successful for this work.

With the rise of technology, we have information at the tip of our fingers. Millions of surveys exist, but even

with this rise of technology, we cannot always find them. Unfortunately we were unaware of another SOA initiative—Non Traditional Roles for Actuaries in Financial Services. In February of 2013 the initiative released a white paper similar to what we had envisioned for our Delphi Study. After reading the white paper produced by the Non-Traditional Task Force, the general consensus of our Delphi Team was the paper did an excellent job in covering the skills and abilities needed to enter into a non-traditional field. A more concise report was also produced by the IPSOS and this further illustrated that our Delphi Study needed to change its point of attack.

REGROUPING

The group focus shifted to targeting international actuaries and younger professionals; this was our glimmer of hope. However, we debated on how effective we would be recruiting international actuaries and younger professionals for our study, considering there were studies in place to analyze international opportunities, and the network for entry-level actuaries is limited. In the end, the group weighted its options and decided not to proceed with the Delphi Study.

CONCLUSION

Early in every research study, there must be concision and clarity as to what are realistic goals, proposed methods, and desired results. Sometimes our expectations do not match up to our desired results. We can only learn from own mistakes and keep pushing forward. This Delphi Study was a wonderful learning experience in how to conduct a successful research study, as well as how difficult the process can be.

“I’ve failed over and over again in my life and that is why I succeed.”

~Michael Jordan~ ☆