



SOCIETY OF ACTUARIES

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Here is our sixth entry in the "What Would You Do?" series.¹ Write to me at SteppingStone@JHACareers.com to tell me what you would do. In the November issue, I'll compile the responses received (preserving your anonymity, of course), along with what actually happened in the real-life situation.

Help me craft future case studies. Write to me about your own challenging, surprising or nightmarish situations involving business, leadership, management, or any of the topic areas covered by *The Stepping Stone*, and what lessons you learned from them. I'll collaborate with you on turning it into a simple case study, being careful to ensure no one is identifiable. And share your own thoughts (pro and con) on the series as a whole at SteppingStone@JHACareers.com.

IS THE EMPEROR WEARING CLOTHES?

Anselm is in charge of the actuarial group supporting all non-employee-benefit product lines for his company. Their business model is to evaluate potential deals brought to them by outside brokers,

and invest in the ones that seem to have substantial profit and business revenue potential. This led them two years ago to his newest product line, involving modest face amount business. Everyone was excited both that the broker's projections showed a great fit to the sorts of goals they typically seek, and it looked like a product that provided a substantial benefit to the customers.

Anselm has been growing uneasy about the line's progress. The way to success as explained by the broker seems to keep morphing, and he hasn't cracked the code on how to tap into their growth targets without sacrificing what seems like a good profit margin. There isn't a lot of pressure from above so far, but he worries about the long-term prospects, and has asked an external consultant to help him do some deeper analysis into the line.

The results lead him to an entirely different understanding of the dynamics, and convince him that (1) it will take much longer than expected before the product line will achieve the combination of revenue and profits that would make the

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company happy, and (2) the true winners in the product line are not the ultimate consumers, but the intermediaries.

Although Anselm wasn't the one who brought the deal to his company in the first place, he was a strong supporter from the start. He has some concern about the "kill the messenger" syndrome, as well as where the new growth in his product lines and operation will come from if the line is dropped.

What would you do? ●

ENDNOTE

¹ Past issues in the series have considered whether to demote or fire a difficult employee, interview challenges from both sides of the desk, and evaluating job offers. To catch up on the entire series, check out back issues of *The Stepping Stone* on the Management and Personal Development (M&PD) website at www.soa.org/mpd.

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