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LEADERSHIP INSPIRATION: *The Effective Executive*

By Timothy Paris

Editor's Note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be better actuarial leaders. Here is the winning entry from the "Book/Song" category.

I find leadership inspiration in many places—books and movies, fiction and nonfiction, old and new, widely popular and niche. But I tend to revert to the classics. And from a leadership standpoint, I think that *The Effective Executive* by Peter Drucker is superb. It is written from a general business standpoint, which I think increases its value to actuaries and others with technical backgrounds in leadership roles.

While the concept of the “executive” role has changed dramatically along with business and cultural mores in the nearly 50 years since its publication, the key points in this book still provide a vital compass to effective leadership, which I summarize as:

1. Know where your time goes. Prune the waste and preserve time to learn and think deeply.
2. Focus on the externally oriented results that are required, then reverse engineer to optimize delivery.
3. Build on the strengths in yourself and your organization.
4. Prioritize, then concentrate your organization's resources for maximum impact on the most important areas. Aim high. Some things are not worth doing.
5. Most important, executives make effective decisions. These are typically few and strategic in nature, often subject to dissenting opinion rather than consensus, and are carried out in practice. Decisions with poor follow-through are often indicative of ineffective executives.



This book has massively influenced generations of business leaders and its echoes are still heard in 21st century best-selling business books such as two of my favorites—*The 4-Hour Workweek*, by Timothy Ferriss, and *Zero to One*, by Peter Thiel. As an actuary and head of a consulting firm, I like to think that my efforts to make effective decisions will ultimately lead to the objectives encapsulated in both of these book titles, but I have a ways to go yet. ■



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