



SOCIETY OF ACTUARIES

Article from:

The Actuary

February 1993 – Volume 27, No. 2

The complete actuary

Setting of goals

by Narindra N. Handa

The term, "goal setting," gives the impression there is only one goal to be set. In life, you have to set goals in many areas and achieve them by writing them down and setting deadlines and priorities. That is why I use the term, "setting of goals," instead of "goal setting" in this article.

Elements of setting goals

An old Arabian fable tells of a prince, born with a hump on his back, who wanted a statue of himself for his 12th birthday as he would appear standing upright. He placed the statue outside in the garden where he could look at it through the window of his room. He looked at it and stretched and stretched, believing that one day he would look like the statue. His efforts paid off by his 21st birthday.

This story illustrates the main points related to setting a goal:

- The goal is clear and visible.
- The goal setter has full confidence in his or her ability to achieve it.
- Visualization and imagination help in achieving the goal.
- Determination and persistence are prerequisites to the realization of a goal.

Areas for setting goals

To lead a balanced life, you need to set goals in various areas. Paul Meyer of the Success Motivation Institute names these areas:

- Career and finance
- Physical and health
- Mental and educational
- Family and home
- Social and cultural
- Spiritual and ethical

You can modify the list to suit your purpose. Setting goals in each area creates a long list that can be altered as you go.

Process of setting goals

Take a pen and paper and brainstorm all the goals you can think of, whether realizable or not. Rewrite them under the areas previously stated. Next, place them in order of priority under each area. Combine the most important goals in each area in a working list. Eliminate those that are not realizable.

Classifying goals

Goals should be categorized as short, medium, or long term. Usually, short term is up to six months; medium term from six months to five years; long term is any period longer than five years. This distinction also helps you set priorities and deadlines for various stages of a goal.

You also should differentiate between tangible and intangible goals. Tangible goals are those that can be measured against some known norm. To achieve intangible goals, changes in personality characteristics are necessary. It is important to recognize what you become in the process of pursuing your goals. It has been said that if all the wealth in the world were distributed equally among all living persons, in five to ten years this wealth would go back to those who have it now. This is because successful people have been through the process of achieving goals. Those who are not trained to handle money will mismanage it again.

Setting priorities

Some goals may not easily translate into a tangible form like a statue. Our mind may not recall all our goals. We need to write them down so we can refer to them easily. We can then concentrate on each goal, paying attention to the elements of setting goals listed earlier. Some time should be set aside each day to concentrate on the goals and to monitor progress.

You must set priorities to achieve your goals efficiently and to resolve conflicting deadlines. According to Pareto's law, 80% of the effort should be directed to 20% of the goals highest in priority. You should not major in minor things.

Success in achieving some goals and crossing them off your list spurs you on to achieve more goals.

Setting deadlines

Set up a time frame to complete various goals or even to reach various stages of a goal. With long-term goals, it is important to set intermediate deadlines that should be achieved in each measurement period. This provides a standard against which progress can be monitored and adjustments made if necessary. For example, a work-related goal may have



some type of intermediate target every calendar quarter. If your objective is to complete Project X within one year, the risk is that you will ignore the goal until the deadline is looming. An interim deadline, such as completing the implementation plan for Project X this month, helps ensure progress towards the achievement of the objective.

This process helps to properly direct efforts and conserve energy. Those who fail to plan, plan to fail. When you set a deadline for a goal, this deadline works on you. Deadlines promote action and reduce procrastination, which is one of the main reasons people fail to reach goals.

Positively stating personal goals

Each of us is different from anyone else, and so our goals must be unique. To direct efforts in a positive way, you must state goals positively. Instead of saying, "I will not be a mediocre actuary," you should say, "I will be a creative and innovative actuary."

Succeeding through realistic and attainable goals

A journey of a thousand miles starts with the first step. A high jumper starts with a jump of a few feet and keeps increasing the height. The increases in height become smaller and smaller as progress is made. If you set realistic goals in attainable steps, you will succeed. Memories of past successes create confidence that future successes are possible.

Affirming goals

Affirmation of a goal plays a very significant role in visualizing and realizing the goal. I have found that the mere affirmation, "I am the best putter," recited several times on my way to the golf course, produced very good

results. Like goals, affirmations should be stated positively. Compare his message, "I am not going to waste any more time," to the more positive message, "I shall make the most productive use of my time from now on."

Further reading

Many publications, tapes, and courses are available that discuss setting goals, but often in a limited way. This subject is closely linked to time management. Some authors recommend the use of mind enhancement techniques to achieve goals. The following are some of the materials I found useful:

- *The Magic of Goal Setting* — tapes by Paul Meyer, P.O. Box 7614, Waco, Texas 76714-7614
- *The Challenge to Succeed* — tapes by E. Jim Rohn, 1805 East Dyer, Suite 301, Santa Ana, CA 92705
- *Life 101: Do It. Let's Get Off our Butts* — book by John R. McWilliams, 1992, published by Bantam Books, 800-223-6834
- *The Time Trap: The New Version of the 20-Year Classic on Time Management* — book by Alec Mackenzie, 1991, published by AMACOM, 518-891-5510
- *Unlimited Power* — book by Anthony Robbins, published by Fawcett Books, 800-733-3000. This deals with the subject through neuro-linguistic programming techniques.
- *Personal Development — Key to Excellence* — book by N. Handa, available from the author at his Directory address.

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SECTION CORNER

This column reports on activities and newsletters of all special interest Sections on a rotating basis. This issue covers Reinsurance, Pension, and Computer Science Sections.

Reinsurance Section

While not the largest Section at just over 1,400 members, the Reinsurance Section produced a full December 1992 newsletter. *Reinsurance Section News*' 18 pages were packed with data from studies and surveys. Melvin McFall reported on Lincoln National's Aviation Mortality and Claim Analysis (also in *Product Development News*); Claude Lapointe summarized data from the Intercompany Advanced Age Mortality Study, and David Holland and David Bruggeman shared life reinsurance data from the Munich American survey. Robert H. Myers, Jr., wrote "Different Approaches to Federal Regulation Considered by Congress." C. Clinton Stretch and Thomas M. Brown co-authored "Sears-Allstate Decision May Affect Reinsurance." Craig M. Baldwin is the newsletter editor and the chair of the Section Council is Paul Schuster.

Pension Section

Ron Gebhardt is the 1992-93 chair of the Pension Section, which has almost 4,000 members. Dan Arnold continues as editor of *Pension Section News*. This Section will be busy in the next few months planning

seminars on Cash Balance on January 19 in Atlanta, on FAS 106 (Basic) on February 11 in Baltimore, and on FAS 106 (Advanced), June 3 in Baltimore. The April 14-16 SOA spring meeting in San Diego will focus on pension topics.

Some of the articles included in the December *Pension Section News* were "An Alternative Approach to a Standard on Discounting" and "The Problem with Economic Assumptions" by H.J. Brownlee; "A Death Knell for the Small-Plan Audit Program" by Harvey M. Katz; and "Public Employer Early-Retirement-Incentive Programs" by Ronald J.W. Smith.

Computer Science Section

Digital Doings is the temporary name of the Computer Science Section's newsletter until "we get a better name," according to Editor Doug Hawley. The first issue contains "Practical Aspects of the Newton-Raphson Approximation in Actuarial Programs" by Doug Hawley; a run-down on computer science sessions at 1993 spring meetings by Randy Kaye; and an article about an SOA task force to work on a proposal for an electronic bulletin board system. Jim Toole will have a column in each issue called "Sound Bytes."

Chairperson of this less-than-a-year-old Section is Kerry Krantz. Members now number about 2,220.

Committee seeks members

by Cindy Forbes

The Management and Personal Development Committee of the Society of Actuaries is looking for members who have an interest in this area and are willing to devote about 40 hours a year to promoting and developing management and business skills educational programs for Society members. If you believe, as we do, that this is a critical area of development for the actuarial profession, we'd like to

have you on the committee.

The mandate of the committee is to "plan, implement, and actively promote educational programs on management and business skills for actuaries." The management sessions we organize for Society meetings have been the primary conduit for providing management education. In addition, we sponsor "The Complete Actuary" column in *The Actuary*, which gives readers an overview of

timely management topics.

As we embark on 1993, our goal is to expand the number of avenues used to reach actuaries with management and business skills education. Our next meeting is in Philadelphia on March 4. If you'd like to help the Society in this very important area, please call me at 416-926-6897.

Cindy Forbes is Chairperson of the Management and Personal Development Committee and financial vice president at Manulife Financial.