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OPINION

Articulating our value

by Walter S. Rugland

At the Australian Institute's Centenary Meeting in 1997, one of the plenary sessions was on the shape of the next century, and a discussion question was posed:

How can we define our "value proposition?" In other words, can we define how actuaries add value in our professional

capacity and the distinctive competencies we offer our stakeholders and do so in an easily communicated manner?

Can a value proposition be defined? Perhaps not. Can a value proposition be articulated? Perhaps. It's true that a customer knows value when it exists. But looking at business needs from the customer's perspective, one can imagine the customer saying, "Since I am buying and you are vending, the value you offer will be measured relative to benefit or cost, and both will be compared to those of other vendors."

We have structured our profession presuming we provide high value for which customers are willing to pay high prices. If we change this, we need to change our entry hurdles and make the investment of entry into the profession less severe. I don't advocate this path. Rather, let's emphasize with aggressive articulation the potential value we bring.

In our work, on every assignment, we have a choice: Do we just take

orders, or do we take the initiative?

Do we use our technical skill and respond to the work request without concern about the reason, or do we validate the reason? I believe it's the second approach that maximizes our value (even when it's difficult to take the initiative or to validate the reason for the work). This leads to practical applica-

tion of our skills as we help look beyond symptoms to real problems.

I propose we articulate our value in terms such as:

- Conceptual thinkers
- Problem identifiers
- Solution communicators
- Implication analysts
- Initiative testers

We add value when we exceed customer expectations. And by exceeding expectations, we create a basis for customers to demand greater value. It's like an imaginary funnel: If we fail to meet expectations, customer expectation next time is lower; if we exceed expectations, the expectation next time is greater.

Those are my thoughts as shared in the plenary session discussion. I am interested in what others' ideas are on defining and expressing actuaries' value. Responses will be considered for publication in *The Actuary*.

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