



SOCIETY OF ACTUARIES

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Members, leaders surveyed

Big Tent, SOA vision have support

by Linda Delgadillo

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Throughout 1998 and 1999, SOA leadership began discussions on a new strategic direction labeled as the “Big Tent” actuarial profession. This approach was introduced by the 1997–98 Strategic Planning Committee headed by Howard Bolnick. It received wide exposure during Bolnick’s 1998–99 term as president with discussions at many SOA meetings and actuarial clubs, on the SOA Web site discussion forums and in *The Actuary*.

The concept of a Big Tent profession developed when the planning committee analyzed strategies to achieve the SOA’s vision “for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events.” The future of a Big Tent profession was characterized as:

- Broad in its scope of practice, employed in all the evolving financial service areas
 - Inclusive in its membership, welcoming talented managers in non-insurance institutions who want to educate themselves to be part of the profession
 - Expansive in its activities
- Some strategies suggested to achieve this vision included:
- Reaching out to existing nonactuarial practitioners such as financial engineers and inviting them into the profession if they meet the criteria of the definition of actuary
 - Attracting a broad range of new actuarial students with a movement toward including some type of university-based education system
 - Establishing stronger ties to universities to train the “new actuary” and to be resources for continuing education and research

September survey tests members’ and leaders’ support

After several months of communications, a survey was developed to gain grass roots input on the evolving Big Tent approach. The survey was conducted in September 1999 to gauge awareness and support of the concept.

Two sample groups were developed. Nine topics were addressed, with 190 randomly selected from among the SOA membership and 50 randomly selected from members in SOA leadership roles. It was important to determine leaders’ views, according to survey designer Dr. Phillip Kuehl from Westat, Inc, “because (leaders) will need to play change agent roles” over the short- and long-term as Big Tent is further considered and possibly implemented. A separate survey of members was important as “knowledge, attitudes, and opinions of rank-and-file members define current perceptions of ‘change targets’ of the Big Tent strategy.”

Clearly, more communication about the Big Tent approach is needed, said Kuehl. “Very few members (21% of respondents) and somewhat more leaders (42%) are aware of the Big Tent strategy term in its representation of the SOA’s vision of expanding the profession.” However:

- Most of those respondents understood the term on unaided recall.
- 57% of all members surveyed, and 46% of leaders support the strategy as they understand it.
- 51% of all members surveyed and 40% of leaders believe the SOA should pursue the Big Tent strategy aggressively.

Kuehl’s report states that clearly, strong communication efforts should continue and the SOA “should develop venues, forums, and other vehicles to

promote active dialogue, discussion, and debate” of the Big Tent concept among both members and leaders.

Respondents also were asked about three tactics suggested for implementation under the Big Tent strategy.

- 1) The tactic of “alternate entry points into the profession for the best students and to show potential employers the profession’s enhanced value” was supported by 42% of members and 52% of leaders.
- 2) “Allowing a limited number of highly skilled professionals now in non-insurance organizations into the profession” was supported by only 32% of members and 34% of leaders. Further, only 12% of members and 14% of leaders supported this tactic if such “new actuaries” were granted FSA status without taking the actuarial exams.
- 3) “Creating semi-independent, self-governing practice areas in life, health, pensions, finance, and perhaps other areas” was supported by 51% of members and 34% of leaders.

Asked about the SOA’s vision for actuaries to be the leading risk management professionals, 85% of members and 90% of leaders supported the statement. However, only 20% of members and 16% of leaders said the profession was successfully pursuing this vision.

Kuehl’s report noted that members of the sample groups had long experience in the Society: an average of 16 years for members and 20 years for leaders. For such seasoned professionals, Big Tent “could be viewed as dramatic change by some of the Society’s traditional members,” Kuehl said. On the other hand, “Some segments of the Society’s membership — based on their real world or long-term experience... — will view the...strategy

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OPINION

Big fish in a small pond or small fish in a big lake

by Armand de Palo

Darwin was right about evolution: all creatures need to adapt to their ever-changing environment. However, not all creatures can evolve into new ones. The actuarial profession in North America, in particular, has to decide how it wishes to adapt to changes in its environment, or it may alternatively choose to live and evolve in new environments.

I believe this process of evolution can only be a positive and successful one if the Society of Actuaries listens and becomes responsive to the needs of its membership. The current Board

Members, leaders surveyed (continued from page 8)

as highly desirable and progressive.” This indicates that in the SOA, as in most organizations, any “visible and substantive element of change will produce a sense of uncertainty and angst that must be managed by an organization’s leadership through effective change management and communication processes.”

As more discussion emerges on the Big Tent strategy, members’ and leaders’ opinions are bound to change, the report noted. This will “create both new opportunities and challenges for the Society.”

The complete survey report is posted on the SOA Web site (www.soa.org/pub/survey.html). Questions about the survey can be directed to Linda Delgadillo, phone: 847/706-3560; fax: 847/706-3599; e-mail: ldelgadillo@soa.org.

of Governors should not assume that its membership will automatically follow its choices and beliefs.

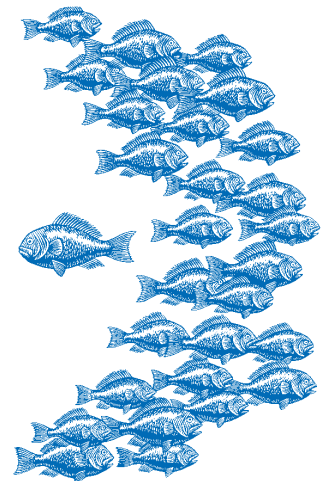
Defining the question with a fable

Does the membership want to remain a “Big Fish in a Small Pond” and adapt to the new environment, or do they want to risk evolving and trying to become a “Small Fish in a Big Lake?” Both paths have risks, and the membership must address the new realities in either environment or the greater world around them. The following fable may help shed some light on the question.

The big fish have done very well and continue to do well within the Small Pond that they know well. The water, while murky, is warm, and there is plenty of food and few other creatures in the Small Pond present any threat to them.

The Small Pond is changing, however. Now, there are fewer but larger ponds. Some large frogs have come across the land and want to share the remaining ponds with the fish that are already there. Some of these frogs are aggressive bully-frogs, and they want to occupy the warmer water near the top of the pond. This has driven some fish into colder, deeper waters in the pond to feed.

Some of the frogs tell the fish how wonderful it is in the Big Lake on the other side of the hill. The water in the Big Lake is clear, and there is plenty of room for everyone. Some of the more visionary fish listen and want to leave the Small Pond and find this Big Lake. However, these fish have forgotten to ask the frogs why they came across the



land to the Small Pond if the Big Lake is so great.

The fish look up out of the pond and see an owl sitting on a tree branch. The owl tells the fish that they are too independent of each other, and that is why the frogs are taking over many of the better, prime locations in the pond. The owl tells them that the solution is to swim together and become a large school of fish to appear bigger than they really are. A few fish ask the owl if he ever swam. The owl answers no, but that in theory becoming a large school of fish should work.

The fish also notice that the frogs have tadpoles that swim in the pond. These tadpoles act like fish and do many things like fish. Some of the real fish begin to call these tadpoles “fish,” too. The tadpole-fish change and start to breathe air and develop legs. They walk on the land, and some choose to return to the Big Lake where the frogs came from. The visionary fish tell the

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