



SOCIETY OF ACTUARIES

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# Chairperson's Corner

by Marc Slutzky



It is my privilege this year to become chair of the SOA International Section. In assuming the post, I must thank retiring section chair, Yiji Starr, and section council members, Rejean Besner and Mike Enright, as well as newsletter editor, Randy Makin for their efforts and accomplishments over the past years. I also welcome new council members Michele Chong-Tai Bell, Frank Buck and David Parmee, as well as newsletter editor, Cathy Lyn.



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We had a well-attended activity at the SOA Annual Meeting in October 2004 in New York. Section members and guests toured the United Nations and enjoyed a cocktail reception there as well. The members attending included the SOA ambassadors to South Korea and New Zealand. There was an informative tour of the building and we learned about the history of the United Nations, the building, its agencies, members and staff. Many thanks to Lois Chinnock and Martha Sikaras of the SOA who helped arrange it. Over the last several years the section activity at the SOA Annual Meeting has proven to be one of our most popular functions, and I expect that next year's will be as interesting.

The next year promises to be an exciting one for the section. The section and practice area evolution within the SOA is well under way, and this will allow us to participate in more SOA activities and have more frequent and meaningful communication with all of the other areas in the SOA. At the section council meeting in October, we agreed that the primary activities of the section are to provide a sense of community and opportunities for our members to interact, and to obtain and communicate information and ideas on current and emerging relevant issues for our members, as well as other activities.

The council is eager to learn about any of your desires and needs for section activities, plans and initiatives. Please let us know what these are so that we can consider them, and, if possible, make them happen.

I look forward to an eventful year. □

Thanks,

- Marc

## The Challenge of Financial Reporting... | from page 7

Although insurance companies follow different business models from Cisco and have different financial reporting requirements, it appears feasible for them to achieve improvements similar to those achieved by Cisco.

### Conclusions

Successful managers know that they can gain 80 percent of the benefits from any project from only the first 20 percent of efforts. In a rapidly changing world this is a reasonable objective since even perfect results will quickly become obsolete. To be successful, a company should:

- Have full senior management commitment, since these people will have the most to benefit from access to real time information.
- Aim for perfection — the virtual close — but willingly accept incremental progress. Think long-term, but focus on short-term actions — actions that can improve results in months rather than years.

- Focus on improving internal capabilities to make continuous improvement a permanent part of the organization. Use outside resources only when absolutely necessary — for example, for training or specialized purposes. Staff that has been trained to improve processes once can do it again!
- Focus on customer requirements — if the customer is happy, then the business will grow and an increasing revenue base will more than cover overhead expenses.
- Optimize systems and processes in place, replacing them only when cost justified.

Improving financial reporting at reduced costs is not only possible, but has already been done. The example given in this article, Cisco systems, proves that a company can accomplish virtual closing at half the prior cost in just a few years. □



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