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Inside...

- 1 Planning to Compete with Your Current Employer? Plan Carefully!
by David S. Rintoul
- 2 Editor's Column: The Volunteer's Dilemma
by Ruth Ann Woodley
- 6 Chairperson's Column: What's in a Name?
by Dan Cassidy
- 7 Moving into the Third Age
by Anna Rappaport
- 11 Intimate Leadership: The Power within Business Couples
by Miriam Hawley and Jeffrey McIntyre
- 14 The Introvert's Guide to Marketing Your Business: An Interview with Nancy Ancowitz
by Ruth Ann Woodley
- 18 How to Communicate with the SOA: A Report from the Board of Governors
by Teresa Winer
- 20 SCF Section Co-Hosts Atlanta Actuarial Club Meeting: Julie Curry Speaks on "Working as a Self-Employed Actuary"
- 21 The Main Reason You're Not Closing
by David C. Miller
- 22 Microsoft Vista: The Next Windows
by Daniel K. Kehoe
- 23 Call for Papers
- 24 Geraldine Kaye: Doing Well by Doing Good
by Ian Duncan
- 26 Announcements for the Smaller Consulting Firm Section

Planning to Compete with Your Current Employer? Plan Carefully!

by David S. Rintoul

Many consulting practices start when someone leaves a current employer to start a firm, maybe in the same city and in the same practice area as the former employer. Sometimes this can result in a cooperative relationship in which the former employer helps you get established and is your ally in developing your firm. Other times, everyone ends up in court. This article will address some of the issues you should consider to increase the chance that you will create an ally, and not an enemy, when you form your new firm.

Will You Tell Your Employer Beforehand?

Whether to tell your employer before you leave to compete is perhaps the most fundamental question to answer. Whether to do so depends primarily on two things: the personality of your boss and the competitive threat you pose. The former question is largely beyond the scope of this article, but you should have a pretty good idea of how litigious your boss is based on the time you have been employed and what's happened before when an employee left to compete. The latter question depends on a realistic determination of the effect of your leaving on the employer's practice. Aside from the

obvious questions of how many clients you think you will take and the proportion of the firm's revenues they represent, ask yourself the following:

- Could the employer give you contract work after you leave, or even office space, if you talk beforehand?
- Is it worth agreeing not to go after certain clients or not to accept work from them to secure your employer's cooperation in setting up your new practice?
- Can you define an initial area of practice that you can do economically on your own that the employer intends to drop or deemphasize because it cannot?

This is an important issue to get right, as the consequences of getting it wrong are serious. For instance:

- If you tell your boss ahead of time in hopes of gaining his or her cooperation, he or she may fire you right away. It may take you months to get up to speed so you can compete without the pay you were counting on from your now-former employer. In the meantime, your former employer

The Volunteer's Dilemma

by Ruth Ann Woodley



As I read Teresa Winer's great article for this newsletter encouraging us all to get more involved (see page 18), I thought about my own experiences so far as an actuarial volunteer. When I first became a consultant 18 months ago, I was excited about the prospect of spending more of my time on the profession. I believe that we all have a duty to give back a little to the profession that has given us stable and interesting employment with relatively high incomes. So much of our profession (and therefore our careers) could not exist without volunteer work—the exam system, professional standards, continuing education and much of the research and publications that advance professional knowledge. But as an actuary at a large corporation, my days were usually too full of meetings, and my remaining hours too busy with work that represented hard dollars to my employer, for me to justify committing time to the SOA and AAA. Now my schedule would be more flexible and networking within the profession held more tangible benefits, so I should be able to devote some of my work hours to volunteering. I signed up for some interesting committees on subjects where I could contribute—including this section!—and got excited about doing my bit.

Things worked well for the first few months, while I was developing my practice and still had more free time than I really wanted. I met many actuaries that I like and have learned from, got closer to some issues that are important to my business, and have seen real marketing benefits from the added visibility. I even have had more fun than I expected! But I soon found how time consuming the volunteer work is, even though I only volunteered for what seemed like a small number of activities and a tiny fraction of the work that takes place. It quickly added up to a significant amount of time on my calendar and once my business got underway I found myself having to cut back. I learned that the process of coordinating a project among a group of volunteers can be quite frustrating, because everyone has times when they are distracted by other priorities, and those times usually don't align with each other or with the project's schedule. And when there's a need for travel to meetings or to speak or facilitate at events, the cost is significant to my tiny budget.

My experience points out many of the reasons why only a small percentage of actuaries volunteer, with insurance companies being especially under-represented. Because consultants can point to more tangible benefits to their business from the time spent, my observation has been that they are more likely to be involved than insurance company actuaries—especially for work that does not directly affect carriers' business or earnings, like planning the exams and continuing education. That's too bad, because those companies also have an interest in the long-term health of the profession, and we need to include the different perspectives of actuaries in a variety of positions.

The actuarial organizations depend on volunteers, work hard to support them, and generally do a great job of that. But there are some

improvements that might help increase volunteer participation. The first is increased transparency around the organizations' structure and finances. The SOA in particular is a surprisingly complex bureaucracy for such a small outfit, and it can be hard to know whom to contact with a question or comment. The structure tends to discourage new volunteers who find it harder than they expected to navigate the system, and results in a core group of "expert" volunteers carrying more than their share. Meanwhile, dues and meeting fees are high, and even very large companies notice these and question whether their money is being spent appropriately. There is a tendency to think of the professional organizations as the "government" and of member dues as a "tax"—it has to be paid but won't be held to the same standard of financial accountability as we all are with our customers. More disclosure on how the budget is allocated across the organizations might make members more comfortable with what they pay and more willing to provide volunteer support. It could even highlight areas of overspending, or spending that members don't find valuable.

The SOA and AAA also should look at ways to improve the balance between consultant and insurance company volunteers, recognizing that this will be challenging. I've recently been involved in recruiting speakers for several different events and found that most consultants agreed quickly, but insurance company actuaries were more reluctant. There is no shortage of people willing to give some of their own time to prepare and speak—actuaries are still a generous group. But finding the budget or asking for approval from managers, who may not be actuaries, to cover meeting fees, travel and hotel costs, in

addition to time out of the office, can be a tough sell. It is no longer correct to assume that insurance company actuaries will be going to SOA spring or annual meetings and paying those costs anyway, so recruiting them as speakers can be very difficult.

I recognize that both the SOA and AAA have put a great deal of effort into exactly these kinds of issues, and from what I know, the SOA's recent efforts to improve its organizational structure and strategy process should be quite helpful. Those I have worked with on the staff of each organization are clearly just as busy as the rest of us and work hard to balance so many projects and activities. But the fact that these staffers are so busy, and that the organizations sometimes seem understaffed, confirms the need to ensure that they are spending members' fees on the right things. I am also the first to admit that I am not very knowledgeable about the SOA and AAA and have invested a pretty minimal amount of my time getting to know more. But isn't that the point—if we can't make it easy for a new, eager recruit to start making a difference, how can we hope to enlist a broader army? 🍀



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will be giving great service to the clients that you thought you could pick up because they were unhappy. Even if you are not fired, you are giving your employer a chance to lock-in its relationship with its clients, while you cannot solicit them for your new business due to the duty of loyalty, discussed on page four.

- If you don't tell your boss ahead of time, you may lose the chance to do contract work or receive referrals from your former firm. A potential ally can turn into an enemy. If you quit and set up a new firm the next day, your former employer may be suspicious that you are using its proprietary customer list or other intellectual property, or that you violated your duty of loyalty by contacting its clients while still employed. This could result in the employer suing to obtain an injunction to stop you from doing business.

The above parade of horrors happens rarely. The consequences of things going badly are serious, however, so you should spend significant time considering this question at an early stage in your planning.



Do You Have a Non-Compete?

If you are subject to a non-compete, you should consult with a lawyer about what effect it may have on your business plan. A non-compete or covenant not to compete is an agreement not to compete with your employer in a certain practice and geographical area. Other articles I've written for this publication deal with them in more detail. You have to individually agree to a non-compete, which is almost always in writing, so review anything you signed when you joined the employer. If you are not sure you signed a non-compete, ask to review your personnel file.

If you are subject to a non-compete, consult with a lawyer familiar with your state's laws of non-competition. State laws on this issue vary widely, so you need to know what the law is in your state. The situation is even more complex if you live in one state and your employer is in another.

As you may learn from your lawyer, the existence of a non-compete is only the beginning of the issue. The agreement may not be enforceable, in whole or in part. There may be a viable market niche not covered by the non-compete in which you can confine your practice for the duration of the non-compete. You may be able to negotiate a relaxation of the non-compete with your former employer. You may decide that it is so unlikely that the employer will enforce it that you will open your practice anyway. This is an issue to address early, however, with qualified legal help.

What Can I Do For My Business While Employed?

This is another area where you need to check on your own state's laws. The following discussion reflects principles of Connecticut and

general law, but this is another area where you should consult with a lawyer in your state.

As an employee, you generally owe a duty of loyalty to your employer not to compete with it while employed. You can prepare to compete, however. You can sign a lease, form an entity, reserve a name, buy advertisements to run after you leave, have announcements printed, and do anything else other than actually starting to deal with the public. Do not take any customer lists, as these can be trade secrets. Also, avoid taking any documents from your employer, even your own work product, to avoid an intellectual property fight. You can talk with co-workers with whom you may want to go into business. You can probably talk to other employees about coming to work for you as an employee, though this is an area that touches on your duty of loyalty to your employer.

You generally cannot tell existing clients that you are going into business for yourself and ask if they will come with you. You can try to scoot around the edges of what is allowed by making general enquiries about whether they are happy with your employer, but you have to be careful when asking these questions.

As soon as you are no longer an employee, and so long as you are not subject to a non-compete, you are free to compete. You can call your employer the morning you intend to start business to quit, and then go into your office and start calling clients.

Conclusion: You Can Do This

The purpose of this article is not to scare you out of forming a firm to compete with your employer. Most transitions to a new firm happen seamlessly and develop into mutually beneficial relationships. In the



series of articles I've written for this newsletter, I have discussed many issues that you can handle on your own without a lawyer. Setting out to compete with your former employer, however, is generally not one of these. A visit to a lawyer early in the planning process can save a lot of money and anxiety compared to seeing one after you get served with a lawsuit. With early planning with experienced counsel, you can have a much better chance that you will be one of the fortunate ones whose former employer is an ally and not an enemy. 🍀

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What's in a Name?

by Dan Cassidy

Even though our section is only five years old, we're having an identity crisis. Don't get me wrong, our section is vibrant, successful and growing. We have worked hard to bring the resources of the SOA to bear on the issues facing actuaries practicing at small consulting firms. Some examples of our successes include:

- **Local Networking Events:** Following the advice of an old proverb, "If the mountain will not come to Muhammad, Muhammad will go to the mountain." Many of our members wanted networking opportunities outside of regular SOA meetings—both because of time commitments and cost. We've hosted meetings in Boston, Chicago, Toronto and Atlanta and are looking to do more.
- **Webcasts:** We have run several well-attended webcasts and will continue to sponsor these cost-effective means of getting professional development credit.
- **Meeting Sessions:** The sessions we sponsor at SOA meetings have run the gamut from helping actuaries get published to starting their own business. Look for more exciting sessions in upcoming meetings including one led by a professional actor who will help attendees improve their communication skills.
- **Newsletter:** Our newsletter contains an enormous amount of general business advice as well as some practice-specific material.
- **SOA Participation:** We have been and will continue to be involved in many SOA task forces and committees. Past participation has included the Business Skills Task Force, Program Committees, and other committees the council feels need the input of our section.

But, even after all of these successes, some of our section council members would prefer

another name to our section. Does "Smaller Consulting Firm" section really define what we are, whom we want to attract and what we offer to members?

First, our name does not come close to describing what we do. Yes, most members practice at consulting firms with less than five actuaries; however, we have many members from larger firms, non-traditional firms (coaching), or insurance companies, to name a few. Whatever the reasons are for these members to join our section, it clearly moves us beyond serving the consulting firm community.

Second, many of our activities are general business advice in nature and are not limited to just consulting firm issues. Communication, publishing and sales strategy are all useful topics for any actuary practicing today, or for that matter, business people in general.

Third, the SOA has, at last count, 18 sections that target everything from practice-specific issues to more general topics. There is often overlap between sections, for example, between our section and the Management & Personal Development Section. For the most part, these overlap issues are handled through co-sponsoring sessions, having liaisons with each other and generally working together to achieve the goals of our respective sections. However, some members of our section believe we should focus on efforts on the underserved niche—come up with our Unique Selling Proposition. Should we focus more of our work on a specific area such as entrepreneurial issues?

Looking back, it would probably be predictable to have a section such as ours go through a period of reflection after being in existence for a few years. Our ultimate goal through all of this is to represent our section members. So please share with us any thoughts you have. We would love to hear your feedback. Feel free to e-mail me at dan@arguscl.com. 🌱



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Moving into the Third Age

by Anna Rappaport

Editor's Note: Anna Rappaport is well-known to members of the SOA for her many contributions to the profession over the years, including a term as SOA President and work raising awareness of financial issues for women in retirement. Now she's starting a new chapter in her career, and has agreed to periodically share her progress with us in The Independent Consultant. Following is the first of what I hope will be several columns on what she learns, during what I expect will be a very successful venture.

As people are living longer, and as more of them are reaching traditional retirement ages, new ideas about work and retirement have emerged. One way to summarize these new ideas is to think of the life cycle as including a "third age." I am not aware of a specific fixed age definition for the third age, but rather would think about it as a period defined by shifting priorities and different bases for making choices. The third age can be viewed as a period between the traditional full-time employment career building period and full-time retirement and leisure. Individuals combine work, volunteerism and leisure in different ways during this period. Some actuaries look at this period as one during which they might want to start a small consulting business. There is no generally accepted practice at present and maybe none will emerge.

This article will look at issues related to the third age from the perspective of actuaries who move from full-time regular employment with an established business into a consulting practice. I will share personal experience in making such a transition. During 2005, I set up Anna Rappaport Consulting after retiring from Mercer Human Resource Consulting. This article was written one year after my retirement and after I had spent time defining my identity, developing a Web site, etc.

Some of the questions I considered

What is most important to me as I plan for my future?



I have long been concerned about making a difference and creating a better world. Today, my goals are heavily linked to my interest in making a difference with regard to retirement security in America, particularly for women alone. I see gaps in the systems and institutions in place and not enough people working to fill those gaps. At the same time, I want to balance my efforts to address what I see as vital issues with spending enough quality time with my husband, daughter, grandchildren, and many other family members, and with developing and pursuing my art. My decisions in designing and setting up Anna Rappaport Consulting were made by considering my passion and interests, as well as the balance I am seeking in my life.

What kinds of assignments do I wish to consider? How does quality control affect those decisions?

I am most interested in the big picture and in ideas. I can provide assistance based on these ideas in a variety of ways. I like speaking and writing, and I have important messages to share with others. I decided to seek keynote and important speaking engagements focusing on issues of importance, including the future of employee benefits, the aging society, special issues

(continued on page 8)



related to women, post-retirement risks and Social Security reform.

For me, one of the big issues in deciding what I was interested in doing is quality control and peer review. I am very accustomed to working in an environment where there are well-developed systems for quality control. I decided to address the issue of a quality control system, in part, by limiting the types of assignments that I plan to undertake. I have decided that my firm will not perform actuarial calculations nor provide statements of actuarial opinion. This makes it very different from the conventional actuarial consulting firm and also means that I do not need some of the resources that such a firm would use.

Another issue for me is time critical projects and being able to control and manage my own time. Some types of consulting assignments (such as supporting labor negotiations) require that the consultant must be available virtually all of the time, at least during critical periods. I have chosen to avoid such projects.

One of the most important questions I see for actuaries deciding to start new practices, whether in the third age or at other times of their lives, is focusing and defining the scope of what they want to do. Part of that consideration needs to be what quality control issues will emerge and how they can be managed.

Where does volunteerism fit in?

Leaving a legacy in the form of “making a difference” is a key goal for me. For me, the third age is a time of staying engaged and also one of giving back. My activities include a heavy focus on volunteerism including participation in actuarial and other volunteer activities. My key activities during 2005 included chairing the Society of Actuaries Committee on Post-Retirement Needs and Risks and serving on five not-for-profit boards, all of which were involved with retirement security and shared my focus on women in some way. The work of the Committee on Post-Retirement Needs and Risks has added to knowledge and focus on these risks. I view it as being important to both the retirement system in America and to the profession. Another example is my work in the Actuarial Foundation where I have just completed my term as Chair of the Consumer Education Committee. Some of our projects in that committee are directly linked to my passion.

As people move into the third age, it is important to make choices. While volunteerism is an important part of my life, it is important for me to focus my activities on those efforts that relate to my goals and that I see as valuable. I have chosen to largely focus on activities that involve “content” rather than “organizational governance.” I have also chosen activities related to my primary professional interest. Other people choose a major project that is important to them and not related to prior interests. For example, one of my friends, who was formerly a business school professor, started a community arts center. Another, an engineer, works as a volunteer many hours a year for the botanical garden in his community. The work of a core group of dedicated volunteers has enabled the garden to grow and expand and offer an outstanding holiday light show to their community.

Whom do I wish to work with and how do I find them?

For me the answer to this question was driven by the fact that I am in my third age and

want to have a business that I can do personally without employees. One of the first questions for me is whether I would like to work with my former employer, and I have decided that I am interested in doing this. Many individuals who retire from full-time work provide consulting services to former employers.

Other obvious potential sources of work are people with whom an individual has worked extensively in the past. An important goal for me is to have influence and get leverage from what I do. I also am seeking to work with people that enable me to focus on big picture issues. During the last year, I have been able to work with the Profit Sharing Council of America to help them think about how to focus on the value of the employer.

I am very involved with networking and use these opportunities to help bring focus to issues of importance. I have produced a brochure so I can share my story with others and also have developed a Web site. I feel the Web site will be important to help me develop speaking opportunities and it will support my credibility with such opportunities. The Web site will probably not help to get assignments with people I already know well. It will be quite a while before I can judge its importance and success.

I am very interested in the decisions individuals make about their own security and improving the ability of individuals to make good decisions. The actuarial profession is developing an area of practice for the "personal actuary." I personally have decided that I will not practice in this area, but that some of my volunteer activities will help in building information that will be useful to individuals and those who are helping them. I do believe that serving as a personal actuary may be a good third age decision for some actuaries.

How do I deal with the legal challenges of setting up my own business?

There are a number of legal issues of concern. David Rintoul gave an excellent presentation

during the 2005 Annual Meeting at the seminar "Starting Your Own Business" sponsored by the Smaller Consulting Firm Section, and I strongly recommend reading his handout for an overview of the issues. *[Note: David's handouts are available on the SOA Web site.]* I found this presentation to be helpful, particularly because it confirmed for me things that I already thought were correct.

I also visited my local bookstore and bought some books on starting a consulting business. Generally, the material on legal issues was not too useful and did not seem to make a lot of sense to me in my situation. I think an old actuarial rule is also helpful: If something looks like it does not make sense to you, it probably does not make sense for your situation, or at least be very careful.

Common sense is also very important in avoiding legal and other problems. Be sure that whatever you do, you are qualified to do it and that you have adequate resources. The Code of Conduct and Standards of Practice are part of the rule book. Also be sure that whatever you do, you and the person you are working for have a common set of documented expectations about what you will do, when you will do it, and how much and how you will be paid. This practice is common sense, but after a long career with both insurance companies and consulting firms, I have seen that failure to develop such an understanding is at the root of many problems. (One could apply similar common sense to personal relationships, etc.)

You will want to find an attorney familiar with the issues you are dealing with and decide when you need to use the attorney. David Rintoul provides advice in that regard as well.

More Questions to Ask

For actuaries thinking of establishing a consulting practice as a transition after a full-time career and while moving toward

(continued on page 10)

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The considerations for a third age consultant may be quite different at times from those of someone establishing a new firm with hopes to grow it into a long-term business.

retirement, there are many of the same questions to ask, but also some special ones:

- What balance am I seeking in my life?
- How can I achieve that balance?
- How many hours of paid work per year am I seeking?
- What types of work do I want to do?
- Do I have networks and contacts to get work?
- How can I keep my skills current?
- Will I need to hire employees, and can I afford to do so?
- What is reasonable to do without employees or support?
- What support can I get?
- How can I get needed peer review and what quality control issues do I have?
- What strategy do I need for managing potential professional liability?
- Will I do work for former employers or contacts from former jobs?
- What legal and tax considerations do I need to focus on?
- Should I establish a pension plan for tax deferral?
- Should I affiliate with others? How?

Special Considerations

The considerations for a third-age consultant may be quite different at times from those of someone establishing a new firm with hopes to grow it into a long-term business. Some of the different issues include:

- A relatively shorter time horizon—most such businesses will be based on working for a few years.
- More modest goals with regard to the size of the business.
- The possibility of unconventional goals.
- For those with significant retirement resources already built, a different set of economic needs.
- In many cases, a reluctance to hire employees.
- The importance of keeping it simple.

These special considerations apply to my situation.

We Would Like to Hear From You

These issues are raised in the hope of starting a dialogue about the special issues of actuaries in the “third age” who are working to establish special consulting practices. I encourage you to share your own experiences and ideas with this newsletter or in other forums.

Resources

There are a variety of general resources for people to use as they think about what might work for them. Many people just invent their own directions. Some of the resources can be found at various Web sites:

Civic Ventures (www.civicventures.org)—this is a national organization and it includes quite a lot of resources and tools.

Third Employment Age Network (www.taen.org.uk)—provides insight into parallel issues in the United Kingdom.

AGE: The European Older People’s Platform (www.age-platform.org)—organization looking at population aging issues in the European Union.

Chicago Life Opportunities Initiative (www.cloi.org)—this site lists many references and resources. It also provides the guide to “Mapping Your Future,” covering five categories of planning:

- Health
- Work & Leisure
- Finances
- Housing
- Relationship

These five categories of topics offer a good overview of things to think about in life planning. They are not targeted to the establishment of a consulting practice. 🗣️



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Intimate Leadership: The Power within Business Couples

by Miriam Hawley and Jeffrey McIntyre

“I could never work with my husband, we would kill each other!” said a businesswoman at a gathering of entrepreneurs where we described our book project about business couples. While many of us are content to work with a wide variety of people, the concept of working with one’s life partner can seem strange. But over the last 30 years there has been an emergence of a new work pattern: couples engaging in both life and work together. Kathy Marshack best described this when she wrote, “Entrepreneurial couples represent the dynamic interplay of the dialogue of love and work,” in her book *Entrepreneurial Couples: Making It Work at Work and at Home* (Palo Alto, CA: Davies-Black Publishing, 1998).

There are three distinct types of business couples: **co-preneurial** (*couples partnering in self-employment ventures*), **co-executive** (*executive couples who own or work with different companies*), and **co-professional** (*professional couples in the same or different professions who own their own practices*). Such entrepreneurial couples have a long history. Through the 18th and 19th centuries, many American farms, ranches, small shops and even actuarial-type financial firms were built and run by couples. Even so, hard data on the emergence of the business couple trend is difficult to locate. Businesses frequently list only one owner, though both partners operate the business. Other couples are reluctant to disclose that they are the same sex or unmarried.

There are many reasons couples choose to go into business together. Corporate bureaucracy, downsizing and outsourcing have motivated people to design more satisfying ways of working. In 2004, we began to interview business couples with identifiable strengths relevant for all entrepreneurs. As a result of their strengths, they developed



additional capabilities as they faced the challenges, failures and successes in both their intimate and business lives. One seemingly ordinary factor is how much the couples enjoy being together. Overall, the couples are successfully running one or more businesses, have an intimate relationship, are raising a family and participating in their communities. They share such common issues as: “When do you think we’ll be able to draw a salary,” and “Who is picking up the kids?”

For couples engaged in businesses, the line between work and home can be thin. So why do couples create businesses together at all? The husband of one co-professional couple explained it this way: “We often joke that in our courting we had virtually nothing in common. We didn’t come to appreciate until much later that our fascination with businesses is something we absolutely share. We conduct business differently, but we just love talking about it.”

Another co-executive couple said their businesses are successful because they are each other’s best advisors and they keep their relationship center stage. A woman who has always worked for herself said, “One of the key factors in this relationship from the very beginning has been a commitment to

(continued on page 12)



communication which is allowed to be completely authentic.”

In our research, we have identified five key factors that have enabled these couples to succeed:

1. Friendship as the Base

All of the couples are one another’s best friends. They chose to be in business together so they can spend time together. A man who had worked 20-plus years for a multinational corporation said the relationship was most important to him. “Our overall vision for ourselves is not business. It’s been partnership.” A woman expressed this sentiment: “We are really good friends. I believe that is the foundation for everything for my husband and me.”

2. Essential Communication and Conflict Management

Connected closely to friendship is solid communication. One man said, “It’s all about communication, including handling the differences and conflicts. If you communicate, you can solve anything.” Many of the couples talk all the time and most enjoy fluid boundaries between their personal and business conversations.

Several communication patterns stand out. The first involves long car drives, as a haven from distractions, for planning and generating

new ideas. Most couples do not discuss work in the bedroom.

One woman said that if she and her husband have a disagreement that ends up in a fight as they drive to work, they have an agreement to stop the moment they enter the store. At the end of the day the disagreement is either irrelevant or a priority to resolve. All couples agreed that conflict resolution demands the best of each other.

3. Defining Flexible Roles

Just as we stretch our bodies to be successful athletes, successful business couples have to be flexible to achieve their goals. The couples spend time clarifying their roles and expectations. They pride themselves on having organizational and gender-role flexibility. For example, in one couple the woman handled employee relations; in another, it was the man. A third couple worked as a team. The larger the business, the greater the role complexity and definition must be. In one such business the husband handles the COO function and the wife handles the human resources and CFO responsibilities. In another partnership, one woman defined herself as “the engine” and the other as “the visionary,” each role encompassing their strengths.

4. Passion and Work Ethic

Closely connected to friendship and communication are passion for business and a supportive work ethic. Many couples are entrepreneurs who have failed and succeeded in various businesses. One couple thought about being in business since childhood. The wife jumped at the opportunity to go into business after her husband’s layoff. For them it was the right time and their marketing and design skills meshed well. Owners of an established business said that their now young adult children speak of the business as “our number one child.” Their commitment to being financially successful kept them refining goals and business plans, choosing to work long hours, taking few vacations and even changing businesses until they were satisfied with

their success. It is important to note that, as committed as couples are to their businesses, they are equally devoted to their immediate and extended families.

5. Customer and Community Service

While all the couples are obviously in business to make money, they are also powerfully engaged in offering excellent customer service and contributing to their local and global communities. Contribution is an essential part of their vision. One woman running a business in a major metropolitan area for at-risk families said, “We’re so committed for these young people in high-risk families to develop, to come out of their victim-hood and be responsible. Yes, that’s like perfect service.” Another entrepreneur said, “[Our] mission is to serve humanity, and machining our product is in the service of that mission. By serving humanity we will be number one in our business.”

Our experience in conducting these interviews has been that no matter who the couple is, what their age or background is or what business they are in, they demonstrate a level of partnership that goes beyond the meeting of their immediate family needs. They are providing a service in a variety of critical areas: customers, community, and, most importantly, relationship.

Most business models are grounded in competition and fear of loss. One of the biggest challenges is in the way people experience these forces that can drive business and family life. What these successful business couples offer is intimate leadership, where the power comes from the core of the relationship. The ability to integrate, balance and simultaneously pay attention to the relationship and business are essential. The relationship itself then fuels the fires of creativity, profitability and success. 🌱



Nancy Miriam Hawley and Jeffrey R. McIntyre are co-founders of Enlignment®, Inc. Successful business partners for 30 years, they collaborate with their clients to produce lasting results in the areas of leadership, relationship, communication, conflict resolution and gender issues. Experts in building teams and coaching leaders, they work with executive management teams and entrepreneurial individuals, couples and families to cultivate strong relationships and clear communication while developing thriving businesses. Ms. Hawley is a founder of the Boston Women's Health Book Collective, Inc., the organization responsible for writing the best seller “Our Bodies, Ourselves” (New York: Simon and Schuster, translated into 18 languages; updated 2005), and Mr. McIntyre is a leadership coach to business owners and executives and an instructor in family and couples' therapy at the Harvard Medical School. Currently writing a book about successful couples in business together, they can be reached at (617) 354-7555 or by visiting www.enlignment.com.

The Introvert's Guide to Marketing Your Business

An Interview with Nancy Ancowitz

by Ruth Ann Woodley



Editor's note: Nancy Ancowitz is a business communication coach based in New York City, whose specialties include helping introverts develop the skills they need to promote their careers and businesses. Because actuaries are so often introverts (like myself), and find marketing their business to be one of the most difficult aspects of running a small consulting firm, I asked Nancy for some tips on how to tailor this work to our strengths.

The Independent Consultant: *How did you get involved in coaching specifically for introverts?*

Nancy Ancowitz: While working at Citibank, I took the Myers Briggs Type Indicator (MBTI) personality inventory, and realized I was an introvert. I reflected on my natural preferences—deep conversation rather than schmoozing; one-on-one rather than group meetings; planning and practicing rather than speaking impromptu, to name a few—and it all made sense. When I decided to leave to become an independent coach, my goal was to share the best of what I learned

about self-promotion as an introvert both from my 12-year corporate experience as well as my past as an independent jewelry designer/entrepreneur.

TIC: *Some people try to go into “sell mode” and imitate extroverts, but you have said that introverts bring their own set of strengths. What are some of these strengths, and how can we capitalize on them?*

NA: Introverts are a large group—estimated at half the population—so, of course, not all have the same strengths. But in general, we tend to be good listeners and writers, strong at research and analysis, focused and thoughtful, good problem solvers, and inclined to build strong one-on-one relationships. I believe that what we focus on is what grows. So, why not focus more on our strengths than our shortcomings? For example, if you focus on your shyness and see it as a hindrance, that will become your truth. If instead you focus on your ability to build lasting bonds with potential customers, then you can allow that strength to define you instead.

TIC: *Can you give some examples of introverts who have been successful in sales, and any lessons you've learned from them?*

NA: Just last week two of my new clients got new job opportunities after just one coaching session. How? We worked on clearly articulating their strengths and accomplishments. Not bragging, it's just stating the facts. One tip is to keep track of your accomplishments. Write down positive comments or print out favorable e-mails, and save them in a physical and/or electronic file. Then you'll have specific reminders and language describing your accomplishments handy when you're

working on your brochure, Web site, business proposals, etc.

TIC: *If we can't, or shouldn't, try to convert ourselves to extroverts, are there certain skills that we should work on to bridge the gap? Do you have any practice tips or other tools for learning these skills?*

NA: Here are some specifics:

- Prepare several simple opening lines for social events so you can hit the ground running. Make eye contact and say something positive or ask an open ended (as opposed to a “yes” or “no”) question. Practice saying opening lines out loud in advance. You can do this alone, or with a friend.
- At a networking event where you aren't sure who to talk to, look for people with an open stance and friendly expression. Keep it simple—just walk up to them, smile, extend your hand, say hello and your name. Not many people are likely to turn away from you. If there's a food table, that's often an easy place to strike up a conversation.
- It's even better if someone you know can introduce you, since this opens doors and validates you to your new acquaintances. Also, introduce people to each other, even if you've just met. This enables you to be seen as a connector, which is a valuable role in any business or social network.
- Often overlooked, the role of host, which offers implied credibility and ease of social connections, is often a good fit for introverts.
- Structure meetings to help ensure that you are heard. Get on the agenda to discuss a specific topic, even if only briefly, and when appropriate, chair meetings so that you're facilitating the proceedings.
- Practice the basics, like making eye contact, projecting your voice, and having good posture.
- Arrive at meetings a few minutes early. This gives you time to organize your papers, review your notes, and prepare quietly. If others are already present, take

the opportunity to introduce yourself, or build rapport with people you already know.

TIC: *For me personally, the scariest moment is picking up the phone and calling a new prospect that I've never met or don't know well. I always spend the first few moments of the call wondering if they are really interested in what I have to say, or just wish they hadn't answered the phone! Do you have any ideas on preparing for and making those first contacts?*

NA: I don't like making cold calls, so I try to make them less cold by preceding them with an e-mail or letter of introduction. Of course, the best case is to get referrals, but that's not always possible. Without a referral, I send an advance note briefly describing who I am, how I can address the prospect's needs, and what specific action comes next (e.g., “I'll call you next week to see if we can set up a meeting to discuss your XYZ needs.”). If you have a referral, indicate that in the subject line and the first line of an e-mail. Here are examples of a subject line: “Referral from Joe Smith,” and a first line of an e-mail: “Joe Smith thought you might be interested in my benefit consulting services.”

During calls, I always focus on the prospect and addressing his or her challenges. I respect the prospect's time, keep the call short and propose a way that I can assist. If I can't, then I offer to refer someone in my network. I typically end calls with an action that I will take (e.g., a follow-up call or e-mail) to ensure that the ball is in my court.

If the prospect is not interested in my services at the time, I ask for permission to get back in touch at a later date. If the prospect is clearly not interested, I politely end the call.

TIC: *What are some other points to remember when communicating with people, especially current or potential clients?*

During calls, I always focus on the prospect and addressing his or her challenges; I respect the prospect's time, keep the call short and propose a way that I can assist.

(continued on page 16)

NA: Introverts often prefer e-mail to phone communication, since it enables us to write down, organize and edit our thoughts. Ask clients how *they* would prefer you to contact them—by e-mail or phone, what time of day is best to reach them. Learning each person's style and preferences offers the client more personalized service—often a competitive advantage.

Some people prefer to read materials, and others need to hear rather than to see, so know your audience. Determine the key topics you want to cover, and communicate them prior to phone calls or meetings. You can always ask for the prospect's input as to any changes or other items they'd like to discuss. Prepare questions to get the most from the meeting. Think about whether you prefer to meet over a meal or in a conference room; for example, I prefer a conference room because it is a quiet, controlled environment where I can stay focused and on task. (*TIC: I actually prefer a meal, because taking time to chew or have a sip of water gives me extra time to plan what I want to say next!*)

Finally, remember some basic business communication techniques:

- Write clear, concise e-mails, and use a formal e-mail sign-off with your full

name, title, company name, and your contact information.

- Use a professional e-mail address that easily reveals who you are; for example, *RuthAnn@actuaries.com* rather than *2lkjsf98@aol.com*! Consider that most people get flooded with e-mails. Studies show that the e-mail address, as well as the subject line, are the two main factors that most people consider when deciding whether and when to open an e-mail.
- When leaving a voice mail message, say your full name and number twice (even if you think the other party already has them) in a clear, confident voice, and state why you are calling and the best time to reach you.
- Ask someone whose business judgment you respect to listen to your outgoing voice mail message. Does it state who you are and the name of your organization clearly and professionally?

TIC: *How do you handle a situation with a very new client or potential clients you are trying to contact when you simply cannot reach them in person and can only leave a message?*

NA: It often helps to ask their assistant for the best time to reach them. Busy executives are more likely to be at their office at the very beginning or end of the day. I generally don't exceed three attempts at contacting them. If I don't hear back, I assume that either the timing isn't right or they're not interested. That said, there are always exceptions. I have one very busy CEO client who is always on the road; he urges me to just keep calling him on his cell phone until I reach him.

TIC: *A definition of introverts I've often heard is that we get energy from time spent alone. That's true for me, and I also find that lots of time spent meeting with or calling clients can leave me very drained. Are there activities that are more solitary that I can incorporate into my routine to help balance the way I'm spending my time and keep my battery charged*



while still moving my marketing efforts forward?

NA: Yes. Some solo marketing activities are research, writing and strategizing, not to mention thinking, which can be done while taking a walk or other physical activity. Researching your potential clients and their industry is a good use of solitary, quiet time and also makes you look good. You can set aside time for writing promotional materials, whether it's your "elevator pitch," language for your Web site or a brochure, a white paper, proposal language and even a blog. And it may make sense to periodically review your strategy to assess how you allocate your marketing time and dollars.

You can also use other approaches to energize yourself, like scheduling breaks or down time after meetings. The corporate environment often gives us no choice but to go from meeting to meeting all day. One advantage of running your own business is the flexibility to plan these breaks. I remember in my corporate days how it felt when someone who missed a meeting I attended would catch me in the hall and ask me for the highlights. As an introvert, I would often cringe at being put on the spot like that. I wanted time to process, and to come up with an intelligent, high-level summary. So, I learned to say "I'm running to another meeting right now. But I would be happy to send you an e-mail (or call you) later with all of the relevant details." That approach taps into your strengths without making you seem deficient. 🧠



Nancy Ancowitz is a thinking partner and stalwart supporter for her coaching clients, who range from CEOs to emerging leaders in the business and creative worlds. She specializes in marketing and presentation skills, and teaches "Self-Promotion for Introverts™," at New York University. Nancy has been interviewed extensively by the press, and wrote "Self Marketing Rules for Introverts," for careerjournal.com, the executive career site of The Wall Street Journal: www.careerjournal.com/columnists/perspective/20050117-fmp.html. You can reach her at Nancy@NancyAncowitz.com.



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How to Communicate with the SOA

A Report from the Board of Governors

by Teresa Winer



As a member of this section and professional association, you are important to the whole SOA organization. With the growth and myriad of changes at the SOA over the years, some may feel the organization is not listening and is overly bureaucratic. Even for an insider, getting our voice heard can be frustrating. The strategic planning process and change from a practice-based organization to a section-based one has taken quite a bit of time and effort; now issues and volunteer management systems are being put in place to carry out the plan, and those efforts will pay off for all of us.

I am glad to report that our new organizational structure, with its Issues Advisory Council (IAC), will offer us an organized way to get issues to the forefront, and will be able to parcel and portion your ideas and initiatives to the appropriate areas. This structure will be more fair and unbiased in the long run, as the IAC will not advocate the issues, but will look at them from a strategic perspective. The goals of the strategic plan set forth by our Board of Governors will be considered, as well as cost/benefit analyses. A

more disciplined ROI process for major planned programs and improvements will be necessary to best use SOA revenues and resources.

An “issues identity document” is in the works so that members will be able to present issues online, facilitating two-way communication so members can make suggestions in more ways. The IAC will then consider the potential pathways for a particular issue based on the content and scope. The Board is responsible for identifying and setting direction for “mega issues,” so not all responsibility is delegated to the IAC. However, Board time is limited, so a Board-level review will depend on the scope and specifics of each issue and whether the issue is already being handled by other committees.

The SOA seeks a better understanding of members and their satisfaction levels, but at the same time is becoming more focused on what is happening in a broader context. One example is that we are working with the Casualty Actuarial Society on Enterprise Risk Management and similar issues to make sure we have a presence in the greater non-traditional business environment.

There are many ways to get your voice heard, starting with SOA surveys. All members and candidates are asked to participate in a survey every three years. The results and trends are reviewed and taken to heart by the Board members. The 2005 survey has been studied and much discussed, and actions have been taken on many of the issues raised. In addition, there are other targeted surveys by sections which can differentiate your concerns and give the Board a better understanding of what you want and need. And the CRUSAP task force has recently conducted a large survey that



provided another chance for you to provide feedback on the profession.

Even though our surveys have a better response rate than many other associations (37 percent for members and 30 percent for candidates in 2005), a lot of voices are still not being heard when surveys are not filled out. Comments are reviewed and improvements are being made based on survey results, so it is important to participate and you can make a difference. Spring 2008 will be the next time for the SOA member and candidate survey, so please take advantage of that opportunity.

Meanwhile, if you have feedback or ideas, don't wait for 2008! Communication is a two-way street. As a Smaller Consulting Firm Section member, you have special needs and problems. Please take the initiative to communicate and make your voice heard by reaching out to those on leadership teams within the SOA. You can contact your section chair or other council members, who can pass on information and/or put you in contact with the best person to get your issues heard and resolved at the next level. Better yet, get involved by volunteering. You recently received an e-mail asking for interest in section council leadership, and there is always a need for volunteers on committees and task forces. Check the SOA Web site to see more of what this section is about, various committees that exist and other areas to volunteer. Pick up the phone, send an e-mail and feel free to contact committee chairs about your concerns. 🗨️



Teresa R. Winer, FSA, MAAA, is an actuarial consultant with Chastain Financial Services and Bragg Associates and a member of the Task Force on the Personal Actuary. She is on the SOA's Board of Governors and is the BOG partner for both the Smaller Consulting Firm and Actuary of the Future sections. She can be reached at 404-816-1806 or trwiner@worldnet.att.net.

SCF Section Co-Hosts Atlanta Actuarial Club Meeting

Julie Curry Speaks on “Working as a Self-Employed Actuary”

On March 16, the Smaller Consulting Firm Section and Atlanta Actuarial Club co-sponsored a meeting to help local actuaries meet and network with each other. One of the featured speakers, Julie Curry, gave a presentation of particular relevance to our members. Julie became an independent consultant seven years ago, after working in an insurance company and large consulting firm for a number of years, and she discussed some of the issues involved in going out on your own.

Several factors are important to consider when making the decision to go solo. First, are you self-motivated enough to work in a less formal setting? Especially if you choose to work at home, you may need to set up a separate environment for your work with office, phone, set “business” hours, etc. Next, decide what product you plan to sell and develop a marketing plan. For smaller consultants it often works best to choose a smaller niche product that isn’t provided by the bigger firms. And being cheaper than other firms helps only if you can first demonstrate the skills and ability to perform the services they require. The biggest selling point for individual consultants is a previous relationship rather than a cheaper price tag. You should make an inventory of your industry contacts, including former clients, co-workers and contacts from actuarial meetings and volunteer groups. Keep in mind that your contact list will only stretch so far and at some point you’ll have to make cold calls.

A critical question is whether you are financially prepared to go out on your own. You should plan to have a low income for the first few years relative to what you earned in a larger firm and expect significant fluctuations in cash flow over time. Plan ahead for start-up costs like computer equipment and incorporation. There will also be ongoing costs like business and personal insurance, profes-

sional dues, utilities such as phone and Internet, rent for office space if you choose not to work at home and travel to actuarial meetings for networking and continuing education. If you find you need to license actuarial software (e.g., valuation systems), these can cost tens of thousands per year. Business insurance, including professional liability insurance, can be expensive as well, often in excess of \$5,000 per year. At first you may need to tap other sources of income like savings, income from a working spouse, work through actuarial temporary agencies and perhaps even temporary non-actuarial work.

If you decide to go for it, there are several other practical decisions you will need to make. What kind of corporate structure do you want to use, and how will you handle legal work such as contract development? Where will you obtain liability insurance? How will you address support functions like bookkeeping and taxes, clerical work and technical support? Do you plan to do all of your actuarial work yourself? If not, will you hire employees or use subcontractors? Where will you find peer reviewers, especially if you do not hire employees? Do you want to provide traditional benefits for yourself and any employees, such as health insurance, disability insurance and a pension plan? And finally, how will you keep your own skills sharp—technical knowledge of course, but also presentation, marketing and people skills?

Julie pointed out some resources available to help, including the SCF Section, which has a “Resource Center” on its Web site containing past articles with more detail on some of these topics. Other suggestions are the Small Business Association (www.sba.org) and the Service Corp of Retired Executives, or SCORE (www.score.org). Thanks to Julie for such a useful presentation, and if you’re thinking of becoming a solo consultant, good luck! 🧠

Julie Curry, FSA, MAAA, FLMI, is president of Curry Actuarial Services, LLC. She can be reached at julie@curryactuarial.com, or at 770-630-4354.

The Main Reason You're Not Closing

by David C. Miller

There was a fisherman who desired to catch a certain fish. This fish is worth a lot in the marketplace, so it was the ideal fish for this fisherman to catch.

The fisherman went out and started fishing the way he always had when fishing for any other fish—using the same techniques, gear and bait.

He returned at the end of the day unsuccessful. He tried again, day after day, with the same result.

So he thought, "I'd better do some research about how to become more skilled at catching this type of fish." He found out the ideal bait to use to attract the rare fish. He also discovered that a different rod and a specific casting technique were preferred when trying to catch this fish.

So with renewed confidence—certain he was going to hit the jackpot—he went out again. And at the end of the day, to his amazement and utter disappointment, he left the fishing pond with no catch to show. Determined, the fisherman tried again day after day, with the same result.

Then one day as the dejected fisherman began walking home after failing again, he passed an old man who said to the fisherman, "Looks like a rough day. What are you fishin' for?" The fisherman told the old man about the rare fish he desired to catch.

The old man replied, "You're not going to find that fish in the pond you've been fishin' in. There's no fish of that type in there. If you want to catch the fish you're after, you need to go to the lake across the way."

The moral of the story: Make sure you're fishing in the right pond.

When I work with consultants and business owners who are frustrated by little return on their selling efforts, the question that they ask is, "What am I doing wrong? How come no one wants what I'm offering?" Usually the first place they will look is themselves. There must be something they can do with their approach, their techniques, their message, etc. These are all possibilities, but there's another reason that will make more of a difference than all of the other reasons put together.

The question that rarely gets asked is, "Am I fishing in the right pond?" When you approach everyone with your product or service, most won't want it, because they don't have a need for it. It's like trying to get people who just finished a seven-course meal to buy a steak dinner. They're just not hungry.

Instead, why not focus on people "who haven't had a meal in days?" These people will gladly purchase saltine crackers from you, because they're starving for what you have to offer!

It's all about clearly identifying who your ideal prospects are. First, identify the key problems they're experiencing in areas where you can help them. Next, find out how to get in front of them (e.g., industry meetings, trade journals, etc.) so you can show them how you can help them. Would you rather speak often to unqualified prospects, who most likely have no interest in what you have to offer, or would you rather be in front of a roomful of hungry target prospects who are ready to buy before you even open your mouth?

Take note of where you're fishing. Fishing in the right pond is the one strategy that will skyrocket your business more than anything else. Just ask the fisherman who came home the next day with two dozen rare fish—enough to make himself very wealthy. 🐟



David C. Miller FSA, MSCC, is a professional business coach who works with actuaries, consultants and executives who desire to attract more clients and be more influential in their organizations. He conducts seminars and one-on-one coaching in business development, influence, leadership, team building and communication effectiveness. He can be reached at dave@BusinessGrowthNow.com or 215-968-2483.

Microsoft Vista: The Next Windows

by Daniel K. Kehoe



Although it probably won't hit the streets until early 2007, Microsoft has already started the marketing push for Vista, the long awaited follow-on to the Windows XP operating system.

Initial reviewers of Vista agree Microsoft has spent some time addressing issues that users of the Windows family have been stumbling over for years. As well they should, as Vista (under the code name "Longhorn") has been in development for quite some time. What is interesting to industry observers is how a great deal of the glitter promised during the early Longhorn days has been sacrificed as development progressed. The Longhorn project took two steps back and one step forward when development of a brand new code base stopped and was restarted based on the Windows Server 2003 code. But that's not all bad—much effort has been spent on critical issues like system- and user-level

security, something called "virtual folders," and ensuring Vista's move toward integrating local PC search capability into the Internet browser. One casualty of the retooling was a powerful new disk format called WinFS, so NTFS lives on as king, probably until Service Pack 2 of Vista.

Visually, the Vista operating system will continue the move toward a media-accommodating platform. In certain versions of Vista (there will probably be six—four consumer variations and two for corporate users) the new "aero glass" windows themselves look and feel very Mac-like with a translucent treatment. If nothing else, Vista will look appealing to users forced to stare at their PCs all day long. Oddly, though Windows has won the desktop battle, with the release of Vista, Mac OS will have won the user interface war.

Early tests on beta releases indicate that Vista will probably outperform Windows XP on the same hardware (how about that—you don't necessarily need to upgrade your hardware to gain new functionality), but it is still early in the game with much to be added that could weigh down Vista. Users expecting to see the new translucent windows must have a graphics card with 64MB of video memory. Without one, the windows will look like a slightly made-over version of XP windows.

The bottom line for users is that Vista will probably be a performance improvement, but it will not be a paradigm shift or require significant retraining. It should feel about like the move from Windows 95/98 to Windows XP did. Most of your mainstream applications should install and work unchanged under Vista, but look for Vista-certified versions of your favorite software to appear which will take advantage of new links into the operating system. One indicator that Vista is roaring to completion was its pre-release to software developers in October 2005—a move that ensures Microsoft will have plenty of Vista-enhanced software to parade around on announcement day. 🍀



Daniel K. Kehoe is president of Bigfoot Labs in Connecticut. He has more than 27 years experience in the computer industry in technical and marketing roles, most recently with Compaq Computer Corporation.

Call for Papers

You are encouraged to submit a paper to The Actuarial Practice Forum, a new online journal designed to deliver practical and applicable information to SOA members in the form of useful papers that are of educative value to the general actuarial readership.

The papers in this journal will convey important information on actuarial methodology, regulatory requirement analysis, product design, analysis techniques and other practical areas of actuarial work. They will convey, at length and in considerable detail, information about the intended topic. The purpose for publishing these papers is to help practitioners in their day-to-day work. Such papers will provide members with opportunities for basic and continuing education, both inside and outside of their areas of practice. By sharing their knowledge, expertise and experiences in this way, authors can provide members with education and continuing education opportunities as well as increase their stature in the actuarial profession.

Manuscript Submission

Electronic submissions in Microsoft Word or pdf format are preferred. Accompanying graphics should be sent in a format suitable for publishing (high-resolution TIFF or JPEG files or pdf files).

Length

The suggested length for APF papers is approximately 6,500 to 19,500 words (or approximately 20 to 50 double-spaced, typewritten pages long). This includes a brief abstract (100-300 words) and references/bibliography. However, articles of fewer or more words will also be considered. Accompanying charts, graphs, tables and exhibits are also welcome and are subject to review according to the same guidelines as a submitted manuscript. References should be included and must be complete.

Content of Papers

The editorial board and SOA staff has the right to accept, reject or request changes to



papers after reviewing the material. Marketing pieces, or those manuscripts that advocate an opinion, person, product or company association will not be accepted. Any specific proprietary company-related material should have company approval or be removed before the paper is submitted. Staff editors reserve the right to edit articles for length, basic syntax, grammar, spelling and punctuation. 🌱

For more information, or to submit a paper to *The Actuarial Practice Forum*, contact Phyllis Crittenden at Perittenden@soa.org.

Geraldine Kaye: Doing Well by Doing Good

by Ian Duncan

“Life,” Geraldine Kaye says, “is what it makes you.” Dr. Geraldine Kaye, FIA, never set out to be a recruiter. But she is one of the best-known actuarial recruiters in the United Kingdom and heads one of the U.K.’s largest firms of actuarial and financial services recruiters. Affiliated firms within her group also recruit directors and trustees of pension plans, as well as financial services company employees.

Geraldine’s company, Gaaps Ltd., is based in London and has an international reach. But she had no such expectations when she established the firm 14 years ago, not even for revenue or profits. Instead, like a true actuary, Geraldine has always taken a long-term view of business, and the profits have come over the long term.

In the late 1980s, Geraldine’s interest in actuarial employment led to election to the council of the Institute of Actuaries and then to membership in the Institute’s Careers Committee. The Careers Committee received many inquiries from actuaries seeking employment, but determined that the Institute would not provide a job placement service. Geraldine decided that this was a job for her. She started Gaaps at a time of relatively high unemployment among actuaries, thinking that she would solve the actuarial surplus problem by exporting actuaries for work abroad.

Geraldine had held her share of jobs prior to starting Gaaps. Including vacation employment, she had five by the time she joined the City University in London as a research fellow in 1983. As Geraldine says, “Just as a divorcee sets up a dating service, I decided that I, as an actuary with experience of different jobs, could set up an actuarial match-making service.” Her first advertisement in the U.K. actuarial newsletter *The Actuary* produced 60 responses. Prior to her starting Gaaps, many actuaries had been concerned (because of confidentiality and other reasons) about using recruiters.

Geraldine admits that she started her firm and placed her first advertisement for actuaries because she thought she could provide a service. But at the time, she had no recruiting experience or clients. She spent her first summer interviewing candidates. Her first attempts to match actuaries and recruiting managers were not successful, and she learned from that experience the importance of identifying the actual hiring manager.

She learned the recruiting business quickly—by hiring a consultant! Geraldine spotted an advertisement for recruiting and outplacement training, placed by a consultant. “He earned his fee with one sentence,” says Geraldine. “He said: ‘You don’t need to interview every candidate.’” Geraldine began to turn away some candidates and focus on

Geraldine’s tips for entrepreneurs:

- Look for work that combines your passions and interests with a real unmet need in the marketplace.
- Value all of your past jobs and experiences. Even those that may not seem relevant to your actuarial career can turn out to be assets in some future role.
- If you are starting something truly new, you will make many mistakes. Learn from them and don’t give up too easily.
- Don’t try to do everything yourself. Just as you want others to recognize and value your expertise, work with knowledgeable experts and consultants when there are gaps in your skills.
- Be ready to adapt to the inevitable changes in your industry. One way for actuaries to stay close to developments and ahead of changes is to get involved in the profession’s governing bodies.

finding hiring managers instead. Six months after her first advertisement appeared she made her first placement of an actuary (in Hong Kong).

Geraldine's firm has since expanded and now has 17 employees. Like many entrepreneurs, she says that the first hire is the most difficult. She was fortunate to find Louise Wolffe, a referral from Geraldine's husband, an accountant. Unfortunately, Louise has since passed away at a young age, from a disease called Hughes Syndrome, or "sticky blood syndrome," a rare disease that causes unexpected clotting in the blood and can lead to stroke or deep vein thrombosis. Geraldine still remembers Louise in a practical way, and the firm makes a financial contribution in memory of Louise to recognize certain placements.

Finding good staff for Gaaps is the hardest job Geraldine has. Although she is an experienced recruiter of actuarial talent for employers, she admits to having a hard time finding employees herself. Her best source of employees, she admits, is through a recruitment agency.

Although the firm was founded in 1991, Gaaps took off about four to five years ago when Geraldine became chair of the Association of Search and Selection Consultants (a U.K. body serving recruiters across all industries). At the first meeting of the council, finding there was no commonly agreed upon definition of "Search," Geraldine set up a task force to develop one. "It took six months," Geraldine says, "but we came up with a definition." From her experience on the task force, Geraldine learned the importance of branding. Subsequently she has expanded her brand to include Interim Gaaps (a flexible management solutions service for the financial industry), Pro-Trust (a dedicated search firm that specializes in Pension plan and Investment Trustees for Pension plans), and K Search (an exclusive high level search firm that covers the complete field of financial services). Meanwhile, the original Gaaps, founded in 1991, has been re-branded Gaaps Actuarial and focuses on actuarial recruitment.

No discussion with the head of a recruiting firm and former council member of the Institute of Actuaries could take place without touching on the question of the future of the profession. Geraldine sees a bright future for actuaries, and finds that, as Human Resources departments become familiar with actuaries, they become more comfortable hiring them. "Actuaries are addictive," Geraldine says. "Once you have one, you want more!" Still, Geraldine resigned from her seat on the Institute's Wider Fields Committee because she did not agree with the Institute's policy of admitting a large number of new entrants to the profession, which drove down actuarial salaries. She currently sees a significant over-supply of potential entrants to the profession—new graduates unable to find their first actuarial position—and views this as a waste of potential talent. Geraldine has seen a change in the profession since she entered it. Once, actuarial qualifications were a fast track to management, but this is no longer the case. Now she sees actuarial jobs and salaries in three bands: technical, professional services sales and general management. Today the actuarial profession is primarily a fast track to professional, technical compensation, rather than to general management as it once was.

Whatever the future of the profession, Geraldine Kaye will be there, helping actuaries and doing well for herself along the way. 🧠

For more information on Hughes Syndrome, visit the Hughes Syndrome Foundation at <http://www.hughes-syndrome.org/>.



Dr. Geraldine Kaye, ASA, FIA, founded Gaaps International in 1992. You can learn more about Gaaps, and submit your resume or search their job listings, at <http://www.gaaps.co.uk/site/about.html>. Or contact them at info@gaaps.com.



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Announcements for the Smaller Consulting Firm Section

SCF Section to Sponsor Innovative Session at Spring Health Meeting

The Smaller Consulting Firm Section is sponsoring a unique session at the Health Spring meeting (June 20 to 22 in Hollywood, FL), called “Using Acting Techniques to Improve Your Presentation Skills.” This first-time offering features a professional actor, David Ferrie, as facilitator. David will teach basic techniques to polish your presentations, including:

- How to stand,
- How to breathe,
- Pacing and pausing, and
- Engaging the audience.

The workshop will help all presenters improve their style by focusing on skills that are not part of traditional presentation classes. Join us for this session on Tuesday morning, and the SCF sponsored “Consulting with Senior Executives” on Wednesday afternoon, for continuing education tailored to consultants’ interests. And if you have any ideas for future sessions you’d like to see us sponsor, contact any member of the SCF Section council.

New Book Helps Businesses Get the Most from Their Retirement Plans

Our very own Dan Cassidy, chairman of the Smaller Consulting Firm Section, is celebrating the release of his first book. A *Manager’s Guide to Strategic Retirement Plan Management*, published in May 2006 by Wiley, is targeted for Human Resource VPs and CFOs who are responsible for their company’s 401(k) or pension plan. Focusing on the overall risks inherent in retirement plans, the book explains how managers can use various risk management tools to maximize their retirement dollars. The book includes many checklists, charts, methods and survey material to help managers take care of their plans. Congratulations, Dan! 🍀

