



THE STEPPING STONE

The Newsletter of the Society of Actuaries
Management & Personal Development Section

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Create Exactly The Type Of Career You Want

by Dan Coughlin

Editor's Note: Dan Coughlin will be a guest presenter at the Society of Actuaries 2002 Annual Meeting in Boston. His presentation, sponsored by the Management & Personal Development Section, will focus on developing the "Image" to enhance your value-added effectiveness.

How can a person create exactly the type of career he or she wants?

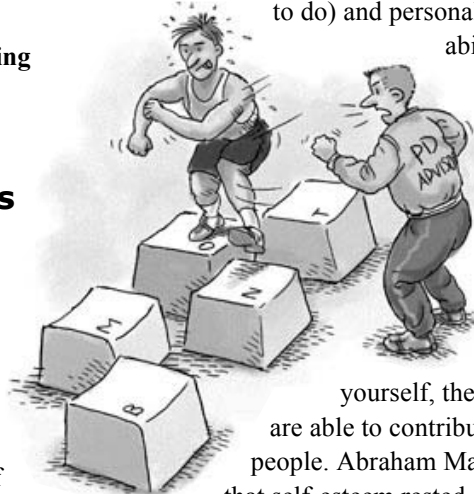
This question challenges high school students, senior citizens and everyone in between. While there are several keys to career success, I will focus on just four of them in this article:

Four Keys To Career Success:

1. Identify Your Desired Outcomes
2. Strengthen Your Internal Foundation
3. Be A Value-Adder
4. Build Effective Working Relationships

Identify Your Desired Outcomes

I don't think the big issue is whether or not you are willing to take on risks. Everything you do or don't do involves risks. If you choose to do something, there will be risk involved. However, if you don't choose to do it, there



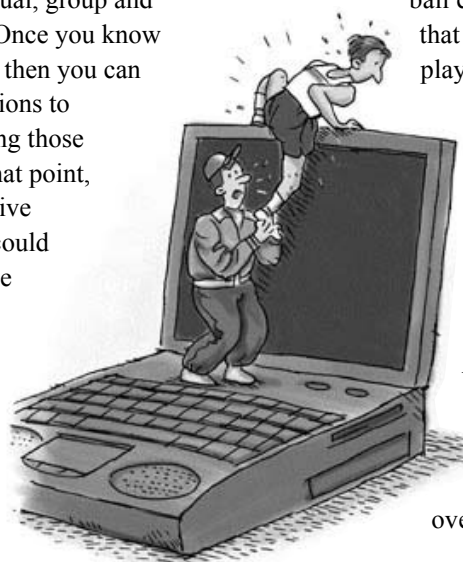
will be risk involved as well. The bigger question is, "What are your desired outcomes on an individual, group and organizational basis?" Once you know your desired outcomes, then you can identify the various options to implement for generating those desired outcomes. At that point, you can weigh the relative risks and rewards that could come from each of these options.

Strengthen Your Internal Foundation

Your internal foundation consists of your self-esteem (the value you see within yourself), self-confidence (your expectation of success in any situation), self-discipline (your capacity to do what you say you will do), personal integrity (your ability to do what you believe is the right thing to do) and personal initiative (your ability to act on an idea).

The most important of these is your self-esteem. The stronger your self-esteem, the more value you see within yourself, the more value you are able to contribute to other people. Abraham Maslow once wrote that self-esteem rested on our sense of personal dignity, the feeling that we are

in control of our lives and our destiny. John Wooden, the former great basketball coach, used to say that when a basketball player is out of balance on the court he or she is out of control and they become less effective. Then he said that the same thing is true in our personal lives. When we are out of balance, then we lower our sense of control over our lives and we



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Message from the Chairperson

by Tyree S. Wooldridge

Growing up in North Texas, I was exposed to more than my share of colorful characters, many of whom (oddly enough) turned out to be related to me in some way! Perhaps the most colorful of them all was the man I knew as my Great Uncle Slats.

Slats was a thin man who stood about six foot six when he wasn't sitting in his rocking chair. He was one of the last of a dying breed. Slats spent his entire 95 years living the life of a cowboy in Young County, Texas. As far as I know, he never set foot outside the county. In fact, he used to say to me, "I'll go anywhere in the world, as long as I can be home in time for supper."

Everybody else knew Slats as a bit of a country philosopher and his house always seemed to be full of old dogs and older people, all of them waiting to hear what he was going to come up with next. I have to confess though, most of the time I never knew what that man was talking about, but I always suspected that there was some wisdom in there someplace.

One of my all time favorite Slats stories is probably not even true, but it's worth a retell. He had built his house in the years before World War I, entirely of wood except for this chimney that poked through the roof. This chimney was constructed entirely of gaudy, red bricks.

Slats claimed that a very young farmhand drifted through his part of Texas and lived with his family long enough to help finish the construction of their house. The boy had no real work experience, but he was a hard worker. As Slats told the story, one afternoon a brick company came to the farm and unloaded a whole wagon of bright red bricks onto the roof of his unfinished house. Slats asked his young farmhand to climb up there and begin to lay those bricks for the chimney. Long before he finished though, the boy had figured out that he had far too many bricks than would be needed.

After finishing the bricklaying, the boy began to take the extra bricks down the ladder to one of Slats' wagons, intending on returning the extras for credit. If you have ever carted bricks up and down a ladder, then you know that you can't handle more than two or three at a time. When you drop a brick, it invariably gets damaged and those you cannot return for credit.

After about an hour, there were still a lot of surplus bricks on the roof. It was at this point that the farmhand began to show some enterprise. He spotted an old barrel near the house and he dragged it up the ladder onto the roof. Next he filled that barrel with the surplus bricks and tied a rope to the barrel. He then nailed a few two-by-fours together and affixed them to the prow of the roof as a sort of yard arm, onto which he attached a rusty pulley. He ran the other end of the rope through the pulley and down to the ground and stood there admiring his ingenuity and resourcefulness for a moment.

The plan was for him to tug on the rope until the barrel of bricks lifted off the roof and swung out beyond the house so that he could gently lower it to the ground in one fell swoop.

He pulled on the rope and the barrel did indeed swing free of the house, but he almost immediately became aware that the barrel of bricks was much heavier than he was. So, as the barrel began to come down, he began to go up. Maintaining his presence of mind though, he continued to hold onto the rope and shortly thereafter, the two met halfway, leaving the farmhand with a severe contusion on his forehead.

The barrel continued down and the boy continued up until he reached the



Tyree
Wooldridge

pulley, jamming his fingers and breaking two of them in the process. At that same instant the barrel was contacting the ground. The barrel, being fairly old, could not stand up to the force of the impact and the bottom fell out, spilling bricks all over the yard.

In just a second or two, the boy became aware that he was now heavier than what was left of the barrel, and so he started back down and the barrel began to come up. Once again, they met halfway, this time giving the boy a series of lacerations to his shins. The boy continued down and the barrel continued up until he landed on none other than that pile of bricks in the yard, which left him with a whole assortment of bumps and bruises.

It was at that moment that the boy finally lost his presence of mind and let go of the rope, whereupon the remains of the barrel fell and struck him on the head, rendering him mercifully unconscious.

For years I wondered if there was a point to that story. I think I finally figured out what it was. Nobody would build a house for themselves without considerable expertise and training, and yet we do the equivalent of that all the time. When I completed the exams, I thought that I was ready for success, but nobody had ever taught me about being a good supervisor, or how to communicate effectively, or how to handle difficult people or even how to get promoted. Finishing the exams was just the starting point.

No one wants to be treated like an amateur, but I certainly looked like one. When I think back to the really bad memos and reports that I wrote and all of the corpses left in the wake of my attempts at management, I wonder why I'm still employed today. My Uncle Slats would have had a great time spinning yarns about my adventures in business.

The point I'm trying to make is a simple one. No actuary would undertake a job for which he was not qualified. We even have a rule of conduct that specifically forbids us from accepting assignments for which we are not specifically prepared by education, training or

experience to perform. I wonder how many of us accepted the role of supervisor or advisor to management without the tools necessary to fill that role like a professional?

Odds are if you're reading this, you've already made the commitment to grow in these "soft skill" areas. I commend you for that. Each and every one of us has a responsibility to improve ourselves. But

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beyond that, each and every one of us also has a responsibility as an actuary to promote the good name of our profession as well. Why couldn't the stereotype of the actuary change to something far different from what it is today?

As I think about the last three years serving with this SOA Section, I think that I've learned that the secret to remarking ourselves lies in these four simple questions:

1. *How do others see me?* It doesn't really matter if I think I'm a good communicator or a good leader because I don't get a vote. Ask your peers, your superiors and your subordinates where you fall short. My guess is that you'll be very surprised. In my case, the things that I considered to be my greatest weaknesses were viewed by others as strengths, and my strengths in many cases were not as I thought either. I

wonder why that is? I think it's partially because we're by nature a critical group, tending to judge ourselves harshly and therefore we work on those areas. But if these aren't the trouble areas, I will never grow and never change.

2. *Who in my world is the best where I am weakest?* It doesn't do me any good to learn from people who aren't any better at my trouble areas than I am. If I struggle with public speaking, I need to learn from someone who is good at it. Who is that person? Find them and ask them how they developed that skill. You may well be surprised at their answers.

3. *Am I really willing to change?* Uncle Slats used to say that the more times you run over a dead polecat, the flatter it gets. Change is frightening. Growth is painful. They force us to venture into areas where we're not comfortable, but if we don't go, eventually everyone understands that we are one-trick Ponies. If we want to succeed and indeed survive in today's business world, we have to acquire all the tools.

4. *How do I get started?* Slats would often say, "Everywhere that's worth going is uphill." Even though that's true, I think that the hardest part is behind you by the time you get to this final question. One great thing you can do for yourself though, is to attend one or two Management and Personal Development sessions at the next SOA meeting you attend. That's why we're here!

I have enjoyed my time with this section more than I can say. If you have a burning desire to influence our profession, then take my advice and become part of this leadership group. Run for office, write an article or mentor a young actuary, but get involved. Your own career and your profession will benefit from it!

Tyree S. Wooldridge, FSA, MAAA, is vice president and actuary at GEFA in Lynchburg, VA. He can be reached at Ty.Wooldridge@gecapital.com.

Create Exactly The.. *continued from page 1*

lower our personal dignity, which reduces our self-esteem.

When I hear executives tell me they are working 75 hours a week, answering 50 e-mails a day and responding to 80 voicemails a day, I always challenge them to take back control of their lives. In virtually every Executive Coaching relationship, I encourage the other person to narrow their focus and define their boundaries as to what they are going to give their career, personal life, family life, friendships, community and so on. Almost every time the person defines their boundaries, they tell me they have significantly increased their effectiveness and self-esteem.

Another aspect of strengthening self-esteem is to always be willing to walk away from your current job. If you ever lose the ability to walk away from an organization, then you have lost some of your personal dignity. Many times executives have told me they don't know what they would do if they lost their current job. Essentially, they are saying they don't see the value they have within themselves.

Be A Value-Adder

Whatever your title is, I suggest you write it down and then cross it out. Your true title and job description is "Value-Adder." Value is anything that increases the chances that another person will achieve what they want to achieve. I

don't see myself as a consultant, executive coach or professional speaker. I see myself as a value-adder. My job is to increase the chances that other people will achieve what they want to achieve. I suggest the same is true for you. Your role is to identify what other people are trying to achieve and then decide how you can best assist them in achieving those objectives. This is true for both

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internal and external customers. Of course, the more you are able to align the organization's highest priorities with the internal and external customer's objectives, the better your chances will be to drive the overall results forward.

Here is an important point to keep in mind:

The value you bring to your organization IS NOT directly related to the number of hours you work, e-mails you answer or voicemails you return.

The value you bring to your organization IS directly related to the degree that you increase the chances that individuals, groups and the organization as a whole will achieve the desired results.

Build Effective Working Relationships

An effective working relationship is NOT based on social activities (i.e. playing golf, going to a sporting event, etc.).

An effective working relationship is one where individuals collaborate, learn from each other, challenge each other and implement ideas that drive better results in the organization's highest priorities.

One critical message is to avoid playing politics at all times. Playing politics is when a person says or does something that they don't believe in, but they do it because they think other people want them to do it. While politics can generate a successful short-term result, it will ruin your career over the long-term. The reason is because it will lower your personal integrity, which lowers your self-esteem. Consequently, you will see less value that you have to offer in the future. I encourage you to always be honest and say and do what you believe is the right thing to say and do. Be professional, do it with tact, say it behind closed doors, but by all means tell the truth as you perceive it.

Career success requires far more than just technical expertise. It requires healthy self-esteem, the ability to continually add value and the courage to build effective working relationships.

Dan Coughlin is president of The Coughlin Company, Inc. He can be reached at dan@thecoughlincompany.com.

Don't Forget To Vote!

You can vote electronically until August 2. (You should have received your password via e-mail.) Be sure to cast your vote and support a strong Management & Personal Development Section Council!

Ins and Outs

by Michael M. Braunstein

The time for me to step down as newsletter editor for *The Stepping Stone* has come.

Though sad for me in that these last two years have been fun, I am happy to report that David Duncan has agreed to tackle the role.

David Duncan, FSA, MAAA, is vice president of national accounts pricing & underwriting for Great-West Life & Annuity Insurance Company. Over the last 25 years, Dave has held professional and executive-level positions with insur-

ance and consulting organizations. In addition to being a profitability and productivity improvement specialist, Dave is also a keynote speaker. Dave is also a member of Toastmasters International, Gateway Human Resource Association, Gateway Industrial Organizational Psychologists and the American Society of Training and Development.

During my time, members of the Management and Personal Development Section Council, other members of the section and readers in general were most supportive by sending in occasional articles for inclusion in the newsletter. This is the lifeblood of the newsletter, and I

would ask that all of you continue to support Dave and *The Stepping Stone* in similar fashion. So thank you from me for all you have done and thank you from Dave for all that you will do as *The Stepping Stone* grows.



Michael Braunstein

Michael M. Braunstein, ASA, MAAA, is director of North American Operations at BPP Professional Training, Inc. in Weatogue, CT. He can be reached at michael.braunstein@bpptraining.com.

Upcoming 2002 Annual Meeting Sessions

Boston Image

October 28,

10:30 a.m. - 12:00 noon

A strong technical foundation is a "necessary but not sufficient" condition for success in today's economy. Personal success is directly and increasingly related to your image and presence, or how well you project confidence, competence and credibility to others.

Help Wanted—Recruiting The Best People

October 28,

2:00 p.m. - 3:30 p.m.

Another job opening in your area? You've got to get someone in the position, but you don't have time to locate and interview candidates. And even if you had the time, where do find the candidates? And if, by some

chance, you have the candidates, how do you determine the best individual for the job? And what if there is no best individual? Do you settle for someone less than your ideal?

Management and Personal Development Section Breakfast: Are You A Strategic Leader?

October 29,

8:00 a.m. - 10:00 a.m.

Rapid changes in the business environment have underscored the vital role of effective leadership in helping organizations not just survive, but thrive. What kind of leader are you? What kind of leader do you want to be?

Hail To The Chiefs! Developing The Skills of a CEO/CFO

October 29,

10:30 a.m. - 12:00 noon

The out of the box actuary does not look like, smell like, feel like the average CEO. So what

makes these individuals so special?

Best Practices In Shareholder Communications

October 30,

8:00 a.m. - 9:30 a.m.

A public company can take a variety of approaches in communicating with shareholders. Holding too much information "close to the vest" is no longer a viable option. On the other hand, disclosing too much information can often send the wrong message. Striking a balance between these two extremes is critical to managing shareholder expectations.

All Stressed Out and No Place To Go?

October 30,

10:30 a.m. - 11:30 a.m.

All stressed out and no place to go? If so, this seminar is for you. Participate in this interactive seminar and "leave the stress to us" for 90 minutes.

Managing Change

by Claire Marie Burchill

Editor's Note: The following article is reprinted with permission. It last ran in Vol. 25, No. 7 of The Actuary.

As early as 500 B.C., the Greek philosopher, Heraclitus, recognized that nothing is permanent except change. Why is it, then, that the mere thought of changing careers, changing organizational structure or even changing one's hair color causes anxiety? The answer lies in our ability to manage or master the change. And because change is risk, actuaries, who are risk-assessors, are asked daily to predict and act upon change.

Within the work environment, change provides opportunities for employees to expand their knowledge and responsibilities. Technological changes afford us speedier access to more comprehensive data sources. Significant changes such as a merger, acquisition or reorganization are often viewed as unsettling and disruptive to the day-to-day business activities. However, these changes also create new or expanded jobs, broaden the access to new markets and provide significant opportunities for success in the face of new challenges.

The organization that does not anticipate and take advantage of change will over or under produce by not anticipating the consumer's varying needs or the effect of foreign or domestic competition. It will suffer inadequate investment return by failing to predict and act upon changing interest rates or tax laws. As a result, it will begin to lose customers and income. Once these changes have begun, this organization will be forced into a position of playing catch-up within its industry or forced into bankruptcy.

In Mastering Change: The Key to Business Success, Leon Martel

provides the following five-step approach to help us master change.

1) Recognize that change is occurring.

Change is more likely to occur than continuity. The expectation of continuity breeds inactivity, leading to business decline and eventual failure. Recognition and acceptance of change in such areas as consumer preferences, interest rates and technology keep an organization and its employees alert and challenged and provide greater opportunities and likelihood for success.

2) Identify the changes likely to affect you.

Changes fall into two categories:

- **Upstream:** Changes in this category affect what a business or person needs. Examples include changing labor and material costs, modifying legislation and new technology.
- **Downstream:** These changes are characterized as those that affect the environment or market for which goods and services are being created. Included are variations in attitudes and priorities and changes in education levels.

3) Determine the type and probable pattern of each identified change.

Permanent transformations are referred to as structural changes. These are

Table 1

Matrix to determine the amount of attention to be given to changes according to their relative importance and likelihood.

Likelihood of Occurrence

a = most b = highly c = less

		Likelihood of Occurrence		
		a = most	b = highly	c = less
Importance of Effect	1 = most	1a	1b	1c
	2 = moderately	2a	2b	2c
	3 = less	3a	3b	3c

Table 2

Examples of strategic responses to structural changes

- Become the lowest cost producer
- Diversify into other product lines or related industries
- Concentrate on higher-value-added and specialty products
- Emphasize service to gather longer term earning flow
- Consider joint ventures with other entities

Examples of tactical responses to cyclical changes

- Prepare a full cycle ahead, during upswings
- Carefully time borrowing
- Do everything possible to get more and better information
- Examine past cycles for patterns
- Calculate the effects of your actions
- Develop the capability for quick responses to change
- Understand the cyclical nature of demand/supply changes

usually irreversible and have qualitative results. The movement of women into the workforce is an example of a structural change that is likely to continue.

Temporary alterations such as business cycles are called cyclical changes. The results are quantitative in nature and they typically return to their prior state or condition.

The direction of structural change is usually constant, while cyclical changes are not. Consider the literacy rate which shows continual improvement, whereas interest rates fluctuate up and down.

In addition to type and pattern, the pace and expected duration of the change help to explain its nature.

4) Rank the changes by the importance of their effect and the likelihood of their occurrence.

Martel suggests a ranking system helps determine the amount of attention to be given to a particular change. The matrix shown in Table 1 shows a cross-hatched region (1a) for the changes most likely

to occur with the most important effect. These changes warrant the most

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attention, while the unshaded square warrants the least.

5) Make use of the changes.

Taking advantage of new situations created by change is the key to mastering the change. Martel suggests the following rules for strategic responses to structural changes:

- Use caution in making large scale commitments of resources to mature technologies.
- Don't continue to commit to a technology when a better, competing one exists.
- Don't try to further refine a current technology when a superior one is clearly on the horizon.

For new, emerging technologies:

- Put the highest priority in discovering, creating and exploiting new technologies.
- Understand the many implications of the changes they create (opportunities as well as problems).
- New technologies will be stillborn unless markets exist for the products and services they create.

While these guidelines refer to technology, they are equally applicable to other consumer products and services, such as insurance and consulting.

Table 2 lists practical suggestions for mastering these two types of changes.

Change is a necessary part of our professional and personal lives. We can become the masters of change by accepting that change will occur and employing a strategy which will result in our taking advantage of every opportunity presented by change. The Society of Actuaries Committee on Management and Personal Development will be offering a seminar on the "Dynamics of Managing Change" at the October SOA Annual Meeting. Please plan to attend.

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