



The Stepping Stone

July 2003
Issue No. 12

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Articles Needed for *The Stepping Stone*

Your help and participation is needed and welcomed. All articles will include a byline to give you full credit for your effort. *The Stepping Stone* is pleased to publish articles in a second language if a translation is provided by the author. For those of you interested in working on *The Stepping Stone*, several associate editors are needed to handle various specialty areas such as meetings, seminars, symposia, continuing education meetings, teleconferences and cassettes (audio and video) for Enrolled Actuaries, new pension study notes, new research and studies by Society committees and so on. If you would like to submit an article or be an associate editor, please call David S. Duncan, editor, at 314.525.3600.

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Preferred Format

In order to efficiently handle articles, please use the following format when submitting material:

Please e-mail your articles as attachments in either MS Word (.doc) or Simple Text (.txt) files. We are able to convert most PC-compatible software packages. Headlines are typed upper and lower case. Please use a 10 point Times New Roman font for the body text. Carriage returns are put in only at the end of paragraphs. The right-hand margin is not justified.

If you must submit articles in another manner, please call Bryanne Summers, 847.706.3573, at the Society of Actuaries for help.

Please send an electronic copy of the article to:

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Thank you for your help.

Chairperson's Corner

by Simcha A. Segal

Fewer people these days are willing to join industry committees. Committee work consumes time that appears to take away time from regular work productivity. However, committee activities can yield great productivity gains for actuaries. In a recent SOA survey, employers stated that actuaries could be more productive if they developed "business savvy" skills. Several types of business savvy skills can be developed through committee work, such as:

Effective teamwork

Serving on a committee helps develop an ability to work as part of a team. The collective decision-making process requires members to learn how to build consensus. The scarcity of resources fosters cooperation and partnering. Finally, the wide range of activities encourages leveraging the diverse talents of all committee members.

Negotiation skills

Committee members learn the fine art of negotiation when organizing a session or event. They must jockey for a favorable time slot for their session in the SOA program and work with vendors, professional speakers, etc., to minimize costs. In addition, senior committee members often provide guidance on effective negotiation tactics.

Multi-tasking

Committee members learn how to juggle multiple simultaneous tasks. They must carefully orchestrate a wide range of logistics to coordinate an effective session. They need to identify and recruit credentialed speakers for the topic. They must match the availability of speakers and the moderator to the date and time slot of the session, which may initially be a moving target. They must collect presentations and bios and produce a session description by a given deadline. They should also verify that the audio-visual equipment is in place and working, which may not be possible until the last minutes before a session. In addition, the visibility of a mistake in coordinating these tasks can be a strong motivator for the development of multi-tasking skills.

Presentation skills

Committee members gain experience speaking in front of audiences, both large and small.

Committee members often serve as session moderators, introducing the speakers and the topic, at both general and breakout sessions. Committee members gain experience presenting to small groups, including their own committee as well as other cross-sectional SOA committees—some of which are attended by senior SOA officers. Committee members also often serve as speakers at SOA sessions.

Marketing skills

Committee members quickly learn the importance of marketing their product—sessions. First, they must do informal research to identify hot industry topics. This is often done in a team environment during committee meetings. Next, they must successfully sell their topics to the committee itself. There are usually more topic ideas than session slots allotted to the committee by the SOA. Topics not effectively marketed to the committee die a fast death. Finally, the committee member must market their product directly to meeting attendees. They must draft an eye-catching (and accurate) session description to draw (and please) a crowd. The SOA adjusts future session allotments to committees based on session attendance and attendee feedback. Members whose topics do not fare well risk losing influence in selling future topic ideas to their committees. As a result of these activities, committee members gain a sense of the market (industry issues) and an appreciation for effective marketing.

Knowledge of industry activities

One of the more unique benefits of committee work is a broader knowledge of industry activities. Committee discussions involve representatives from diverse types of companies (e.g., stock and mutual insurers, consulting firms, the SOA, etc.) and from different functional areas (e.g., product development, pricing, senior management, etc.). This exchange broadens their perspective beyond their individual expertise. In addition, broader industry knowledge contributes to creative problem solving, as tools and techniques from one sector of the industry can often be applied to another sector.

Networking / self-promotion

It is often said that we actuaries could be more effective if we were to learn how to promote

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Committee work can provide valuable free training on business savvy skills—the skills needed most for actuarial productivity gains.



Accentuate the Positive and Eliminate the Negative: You Really Can Change the Workplace Environment

by Karen Gentilcore, SOA Senior Project Manager, Practice Areas

Have you ever heard the lyrics of an old song that chant, "You've got to accentuate the positive, eliminate the negative"? Have you ever tried dancing through the hallways at work, singing this song? Probably not, but why? If there's a place many of us need a little more accent on the positive, it's probably at work!

Imagine a positive work environment. What would that be like? Productivity would improve, costs would go down, communication would be better and everyone would generally be happier. It sounds like a winning combination for the employer and the employees.

But how do you create a more positive work environment? Maybe a memo from upper management, demanding people "work together" would do it. Perhaps if you take your department out to lunch, they'll start to feel like a team. Give employees a turkey at Thanksgiving, and they'll love you forever, right? Well, maybe not!

Considering the sheer volume of interactions in any given organization on any given day, how can we make these encounters consistently positive? The answer is to demonstrate behaviors that set a positive tone for all of these interpersonal interactions.

Implementing a strategy to instill six key behaviors was the solution for a mid-sized manufacturing facility where I was responsible for the training, implementation and facilitation of this new philosophy. By using widely accepted best-management practices based on the work of Dr. W. Edwards Deming, and demonstrating these six key behaviors, we put the accent on the positive and created an environment where people felt empowered, respected and encouraged to put their ideas for improvement into action.

These Six Key Behaviors are:

1. Use positive reinforcement.
2. Ask for questions, problems and concerns, and ask how you can help.

3. Provide information and feedback in a timely manner.
4. Ask for input prior to decision making.
5. Don't over-manage or under-manage.
6. Treat people with respect.

1) Use positive reinforcement

It is basic Pavlovian theory: reward people for specific behaviors, and the frequency of those behaviors will increase. The trick is knowing what each of your employees defines as rewarding.

People work for two reasons—the first is money, in order to get the necessities of life such as food, clothing and shelter; the second is self-gratification. They want to feel needed, accomplished and successful, with a sense of camaraderie. The latter are the job satisfiers, but companies tend to focus on the job dissatisfiers instead. Those are the wages, benefits and working conditions often negotiated for in union contracts. When employees have poor working conditions or are not compensated fairly, they feel dissatisfied. However, when the wages, benefits, and working conditions are adequate, it will not make employees feel satisfied—it will merely not make them feel dissatisfied. Satisfaction comes from emotional compensation and self-esteem. It's human nature to want to be recognized positively, and most people will do what is necessary to get that recognition.

The great thing about focusing on job satisfiers instead of dissatisfiers is that there is an unending supply of the satisfiers. It may not be in your authority or in the budget to grant a big bonus, spruce up the office space or get a better employee dental plan, but there is no end to the "free" kudos and pats on the back you can hand out.

When you give someone positive reinforcement, you are not only complimenting, you are conveying your priorities and values. You recognize success, which instills a sense of pride and well-being. That makes for a more satisfied employee and helps lay the foundation for a more positive work environment.

So, do we ignore performances that should not be rewarded? Definitely not! If you are going to encourage positive actions, you must equally discourage negative actions. A positive environment creates a climate of accountability. The more employees are recognized for their successes, the more open they will be to correcting their errors—and an atmosphere of never-ending improvement is born.

Guidelines for Using Positive Reinforcement

1. Positive reinforcement should follow the behavior as soon as possible. A thank you for helping another department complete a mass mailing spoken the next morning is more effective than a thank you at the performance review six months down the line.

2. Make sure your view of positive reinforcement is perceived by the recipient as positive. Lunch with the boss is nice, but not to the employee that wants to go home at noon. An extra day off isn't much reward to the workaholic that always carries over vacation time.

3. Positive reinforcement reinforces what has been done. It is not a pep talk. Don't use this opportunity to praise as a coaching session. "You did great, but..." doesn't belong here. Separate the two.

2) Ask for Questions, Problems, and Concerns, and Ask How You Can Help

Of course you're a great manager. You have an open-door policy. Your employees can come to you with a problem any time. And you want them to because you need to know what's going on and you are a skilled problem solver. But, did you know that most of the time they won't come to you?

There are several reasons an open-door policy can work against you. When an employee first notices a problem, it is often small. He or she won't want to bother you, may not feel it is "worth it" to take the time to find you and explain the situation and/or doesn't want to look foolish or petty. It's not that important. After all, they want to be perceived as flexible and competent. Have you ever wonder why you are always fighting fires, or why all of the problems happen on third shift? A minor issue gets pushed off to another time or another

shift until it finally becomes a crisis. When you proactively go out and ask people how they are doing, you are saying that you value the information they have. You hold them accountable for reporting on their progress. When you ask how you can help, you indicate your willingness to assist them in overcoming the barriers preventing them from performing optimally. Your ability to solve problems (before they become catastrophic) improves because you have better information sooner, making you a better manager. Your employee feels valued for the information he or she provides, and everyone's self-esteem is raised a notch, increasing job satisfaction.

Guidelines for Asking for Questions, Problems and Concerns, and Asking How You Can Help

1. Establish visibility in your department. Speak with people individually. Instead of "How's it going?," you might have to ask more specific questions such as, "How is the Smith project going?" to draw out some employees.

2. Be approachable. Be sure your body language and tone of voice indicate a genuine interest. If your voice says, "Stop and talk to me" but your body says, "I can't wait to move on," your message will do more damage than good.

3. Don't be defensive. Make it clear your goal is to learn more about what is going on so you can manage it more effectively. If it turns into a gripe session, suggest you meet with the person at some other time to hear ideas. Turn it into an opportunity for improvement.

3) Provide Information and Feedback in a Timely Manner.

People need information to do their jobs. People want information to understand how the organization is doing and how their performance is being perceived. In the absence of information rest assure it will be created. Wouldn't you prefer to provide the facts than let the grapevine fill in who knows what sort of details?

My experience has been that frustration often sets in because

Be sure your
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two people often have different perceptions of what “a timely manner” means. When I need to select a meeting location so I can get back to committee members, “timely” means in two hours. But, when the meeting planner is setting up three symposiums, two spring meetings and seeing a new vendor that afternoon, “timely” means next week. But, if the meeting planner and I agree to a specific date and/or time deadline based on both of our needs, we can both reach our goals. How much time have you spent following up with people because they didn't get back to you when you needed them to? How did it make you feel? Was your expectation clear and reasonable? When you don't get back to someone, it can be the equivalent of saying, “You, your work and your needs are not important to me,” which can lead to employee self-esteem and motivation problems. It's a matter of respect—but we'll get to that item later.

Guidelines for Providing Information and Feedback in a Timely Manner

1. Overcome your personal blocks to timely feedback. A bad memory or a hectic schedule is no excuse. Keep a list, prioritize, set your palm pilot or mark it on your calendar. Answer as many inquiries as possible when they occur, and let the person know if your feedback is going to take longer than expected.
2. Don't feel threatened by information you cannot provide. If you don't know the answer or the information is not available, say so. Offer to help find the person or resource that may have the answer. If the information is confidential, say so. Let people know you appreciate their question, even if you cannot provide an answer.
3. Give honest answers. People appreciate honesty. You may fool them once, but once the truth comes out (and it usually does), they will forever mistrust you.

4. Ask for Input Prior to Decision Making. This one probably scares you. You're thinking, “but I AM the decision maker,” right? Yes, you are still the decision maker, but soliciting input from those who will be directly impacted by the decision is the best way to make a decision.

No matter how well you may think you know a process, the real experts are those people who are directly involved in the process every day. The more you know, the more effectively you can weigh the impact of a potential decision and the more likely your final decision will be sound.

By soliciting their advice and knowledge, you are telling people they are valued. When people feel valued, they are more satisfied with their job (we just can't get away from that, can we?). Additionally, by including people in the decision-making process, you are more apt to get their buy-in to the final decision. Their buy-in is important if any change is going to be successfully implemented.

Guidelines for Asking for Input Prior to Decision Making

1. Soliciting input is not the same as seeking consensus. You can do that if you want, but your goal is to get the most inclusive information possible so you can make a better decision. The decision is still yours to make.
2. Recognize that yours are not the only good ideas. Different people have different viewpoints. Employee participation in the process enhances ownership of the change.
3. Don't seek input when you don't intend to use it. Don't ask for ideas when the decision has already been made. The next time you ask, no one will respond. Most employees would rather you be honest, and even exclude them,

Different people have different viewpoints. Employee participation in the process enhances ownership of the change

than patronize them by asking without any intention of actually considering their opinion. You might need to provide feedback on a decision so you can explain why certain ideas were not implemented, even though they were considered.

5. Don't over-manage or under-manage. You have your own certain "management style," right? That management style is the most effective way to manage each and every one of your employees, right?

Wrong! An under-manager fails to provide employees with the guidelines they need. Under-managers distance themselves, avoiding decisions and are generally being uninvolved, so they can claim ignorance when a crisis erupts. They fear getting involved because it means they will have to make a decision. An over-manager fails to provide employees with the authority to demonstrate their competencies. Over managers dominate employees and usurp their power, rendering them to feel helpless, distrusted and inept. Ironically, both types of managers are essentially trying to abdicate responsibility for failure.

Guidelines for Not Over-managing or Under-managing

1. Recognize where your tendency lies. While your style may slant towards one or the other, over-or under-managing is also situational. We tend to over-manage processes that are familiar or enjoyable, and we under-manage those that are unfamiliar or uncomfortable.

2. If you think you tend to under-manage, try to focus your attention on Key Behaviors 2, 3 and 4.

3. If you think you tend to over-manage, try to focus your attention on Key Behaviors 1, 4 and 6.

Treat People with Respect

Let's face it. The other five key behaviors are really ways to demonstrate respect for people. So maybe we can winnow down the list to just one key behavior that brings another old song to mind: "All I'm asking is for a little R-E-S-P-E-C-T."

You know what I've found, though? When asked, nearly everyone is certain they treat other people with respect. Yet ask those other people if they are always treated respectfully, and they will undoubtedly come up with an example of when they weren't. Why the discrepancy? What does it really mean to treat people with respect? We discovered some everyday examples.


Do you show up for meetings late? That's disrespectful of those who were there on time and it implies your time is more important than theirs. Do you have your assignment completed? If not, that delays your team's progress and indicates you devalued the work.

Did you thank your volunteers for their time? Did you ask someone if they could stay late to handle a last minute assignment, or did you just dump it on the person's desk at 4:30 on your way out the door? When you pass others in the hall, do you say "hello" and use people's names? Do you think all of this is petty? Rest assured these are the types of interchanges that either put a smile on someone's face or have them griping to anyone that will listen.

It's not the golden rule: do unto others as you would have others do unto you. That puts your own personal preferences in the forefront. What if you are a shy person and prefer to be left alone? Does that mean you withdraw from everyone else? What if you like your day filled with excitement and crises, where someone else prefers a more methodical, pre-planned day? You have to try to see the situation from their point of view.

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Alternative Learning—*Wizard of Oz* Style

by Larry Jackson

I'm a firm believer that you can learn professional and life lessons from almost anything and anyone if you just pay attention, keep an open mind and spend a little time in reflection. Let's take my all-time favorite movie as an example, *The Wizard of Oz*.

The most obvious lesson to be pulled this classic is the value of teamwork and friendship. Dorothy, the scarecrow, the tin man and the lion were able to accomplish their goals together whereas on their own they would have failed—the scarecrow would still be on his pole, the tin man rusting in the woods, the lion hiding from his shadow and Dorothy asleep in the poppies, if she even made it that far. In addition, each one needed the encouragement and support of the others at different points. The scarecrow had to be put back together in the witch's forest, the lion had to be pulled in to see the wizard, the tin man needed to be oiled in the snow and Dorothy needed to be rescued from the castle. The key lesson is we need other people in our lives. On the job we need their expertise, their perspective, their ideas and their encouragement to do the best job we can do. In our lives we will all face some kind of crises at some point, and probably more than one. Without others to support us and assist us at those times, life gets extremely tough. Building solid relationships on the job and in your personal life is the ultimate key to success.

Everybody on the team took turns leading. Dorothy was the most obvious leader. She recruited the others and provided the overall vision of getting to the Emerald City to see the wizard. The lion took the lead when they were climbing up the mountain to the witch's castle to rescue Dorothy. It was the tin man and his axe that freed Dorothy from the room with the hourglass. It was the scarecrow's idea to cut the rope holding the chandelier giving them a few moments of freedom before the final confrontation. Even the smallest member of the team played a significant role.

Remember, it was Toto that led the others to the location where Dorothy was being held prisoner. Everyone on any team or group has something unique and valuable to contribute and should be allowed to lead the group at an appropriate time.

Teams can succeed in spite of different agendas on the part of the individual participants as long as communication is open and honest. Dorothy wanted to get home, the scarecrow longed for a brain, the tin man yearned for a heart and the lion craved courage. While each had a different goal, they all knew they could succeed by getting to the wizard and they openly communicated their objective with each other. Each aspiration was acknowledged by the others as important and valid, but the focus was kept on the overall objective. This is a common situation in business. Everyone wants the company to succeed, but marketing is focused on sales, IT is focused on security and system requirements, actuarial is focused on pricing standards and reserve adequacy, accounting on reporting issues, HR is focused on talent issues and development, etc. We all need to remember that while each area's needs are important, nobody wins unless we focus on the overarching objective—serving the client.

The Oz foursome was willing to sacrifice. No doubt disappointed with the wizard's initial response, they were willing to do what was necessary to accomplish their mission. Getting to Oz was work; attempting to secure the broom of the wicked witch of the west was overtime. The perceived end of their journey was really just the beginning of the next stage of their adventure. As an application, a project you sincerely believe in may be sent back by senior management for more analysis. Don't become frustrated; pursue the project to its definitive end. The key message is that very little in life is accomplished without commitment and perseverance.

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Individuals can seem pretty intimidating, even down right scary, until you get to know them. Take the wizard for example. Who can ever forget our friends as they cowered before the great Oz culminated by the lion jumping out the window just before commercial? Take time to draw people out from behind the curtain many hide behind and you'll be amazed at what you find—most likely a person with dreams and insecurities, likes and dislikes, strengths and weaknesses not too dissimilar from yourself. When you get to know someone, you understand them better which then leads to a basis for trust. As a result, individual-, team- and business-unit performance will improve because we work better together when we know and understand and trust each other.

It pays to have a competitive advantage. Dorothy had the ruby slippers and the witch didn't. The ruby slippers got Dorothy into the Emerald City and they got her home. A competitive advantage can be a product feature that the competition doesn't have or it can be a personal skill or ability that other individuals don't have. Look for and cultivate the gifts you have been given that make you uniquely you.

Planning is important, but things happens that you can't foresee, so be flexible. Whether it's poisonous poppies, winged monkeys, enchanted trees throwing apples or free-falling markets, competitive pressures or volatile mortality and morbidity, the unpredictable and undesirable happens. Don't be swayed. Keep the ultimate goal in mind, get the help you need, deal with the problem head on and chart a new course to your destination. The road may be rocky, but the road is there somewhere.

Sometimes we can be overly critical of ourselves. The scarecrow didn't think he had any brains, yet it was his plan that got them dressed as guards and into the witch's castle and it was his idea to taunt the enchanted trees to get their apples. The tin man didn't think he had a heart, but he cared enough about Dorothy to protect her from the witch whether he got that heart or not. The lion claimed to have no courage (which wasn't too far off the mark), but climbing mountains and fighting castle guards is not for the timid. The key, as usual, is balance. Don't be arrogant and over-confident, but don't be too hard on yourself either. Give yourself credit and delight in what you do well.

Don't forget to enjoy the ride. Life is an adventure. Oz may have been more challenging and dangerous than Kansas, but it was beautiful, in color and certainly not boring. Some of our most difficult times become some of our fondest memories just a little farther down the yellow brick road.

So what have we learned from look at Oz? Teamwork, friendship, communication, commitment, sacrifice, leadership, the value of individual contributions, and flexibility to name a few. What could you add to the list? I'll add one more. Work and career can be very rewarding, but they can also be very time consuming. On some of those late nights at the office just stop and remember, "There's no place like home."

(Note: if you liked this article, check out the alternative learning session at the annual meeting focusing on *The Lord of the Rings*) □

Planning is important, but stuff happens that you can't foresee, so be flexible.





Developing Leadership— A New Level of Mentoring

by David C. Miller

It is no secret that the insurance industry has experienced significant consolidation in recent years. As I reflect about how that has impacted our profession, I observe a once secure profession losing its security and fewer actuaries left to do more work. In the midst of downsizing and re-engineering, I wonder about the role of mentoring in the actuarial profession. Has the current condition of the industry made mentoring relationships a luxury that can no longer be afforded? My sense is that, in many companies where middle-management is being whittled down, the answer is implicitly “yes.” With the emphasis on short-term results, there seems to be little or no time to develop people. Professional development is left for the individual to acquire on his or her own time.

If this is what is really happening in companies, I wonder what the long-term future is for these organizations. Developing leadership seems to be a necessity that cannot be ignored if an organization is to ultimately succeed. If you are in an organization where leadership development does not occur, why do you think that is? I propose that one reason is that insurance companies are no longer thriving, but are trying to survive. In an environment of cutting costs and downsizing, employees inevitably can develop a scarcity mentality – “there is only so much opportunity to go around, so I must grab onto as much as I can before it is gone.” As understandable as this response is, true leaders operate from an abundance mentality. One that says, “there is more than enough opportunity available for everyone.” True leaders understand that as they develop potential leaders and, in essence, share opportunity and responsibility, everyone in the organization benefits.

If you are a leader in your organization and have the responsibility for managing a staff of people, how could you go about cultivating leaders in your organization? Before you do anything, you want to be really clear with the reasons you want to do this. Without strong motivation, it will be hard to follow through, especially since the current environment (as discussed above) will not necessarily support you. Brainstorm all that developing leaders will give to you and the organization. For example, developing leaders will help you carry the load, will help the organization grow, will allow you to step up to the next level and will increase enthusiasm and motivation in your employees. You have probably heard it said that a leader is only as good as the people under him/her. Raising up leadership is a win/win/win proposition: a win for the new leader, a win for the organization and a win for you.

Now that you are associated to your purpose, how do you go about developing leadership in your staff? In his book *Developing the Leaders Around You*, John Maxwell describes a five-step process to equipping potential leaders:

Step 1: I model. This involves doing the tasks while the person being trained watches. It is important that he sees the whole process from start to finish. Often, training begins in the middle of the task and this can cause confusion.

Step 2: I mentor. Here you continue to perform the task but the person you’re training comes alongside and assists you in the process. Explain to the trainee not only the how but the why of each step.

Step 3: I monitor. Now it’s time to trade places. The trainee performs the task while you assist and correct. It is important to be positive and encouraging during this process. Continue working with him until he develops consistency and then ask him to explain the process to you. This will help him understand and remember it better.

Step 4: I motivate. In this step, you take yourself out of the process and let the trainee do it himself. Make sure he knows how to do the task without help and keep encouraging him. Stay with him until he senses success. Now the trainee may want to improve the process. Encourage him to do so and learn from him.

Step 5: I multiply. Once the new leaders do the job well, it becomes their turn to teach others how to do it. For you it is an opportunity to turn the new leader loose to take more responsibility and free you up to pursue other developmental tasks.

As you reflect on this process, you may be thinking, “Dave, this sounds fine, but I can’t possibly personally mentor every person on my staff.” Nor should you. Maxwell advises to lead and nurture everyone within your influence, but spend 80 percent of your time on the most promising 20 percent of the potential leaders around you.

Our current environment demands that we do more with less. Consider developing and reproducing leadership as a pathway to empower the fewer available human resources in order to release all of their creativity and ingenuity to do more. □

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Treating people with respect provides a guideline to use in all of your interpersonal exchanges, verbal and nonverbal, day after day.

Guidelines for Treating People with Respect

1. Reward in public, reprimand in private. 'Nuf said.
2. You may not be able to control your feelings, but you can control your behavior. Regardless of how you feel, you are responsible for your actions. Smile, even when it hurts.
3. Consider the perception, not the intention. Your intentions may have been admirable but are invisible to others. How would others perceive your actions?

Wrap Up

Does practicing these six key behaviors sound like common sense—I hope so! It worked at our manufacturing facility.

Turnover decreased and improvement ideas saved over \$130,000 the first year. It doesn't take any extra time—in fact, it often saves time! You can do these whether you have many direct reports or no direct reports and at any level of the company. You will find that you work more effectively with others, and enjoy a positive environment that fosters teamwork and continuous improvement.

Next time a problem comes up with someone at work, consider whether using one of the six key behaviors might have prevented it. Hindsight may be 20/20, but with these behaviors in your future, you just might see the way to “eliminate the negative, latch on to the affirmative” and, maybe more importantly, stop messing with “Mister In-Between.” □

Execution: The Discipline of Getting Things Done

“The book that shows how to get things done and deliver results ... Whether you're running an entire company or in your first management job.”

Written by Larry Bossidy (of GE, AlliedSignal and Honeywell fame) and Ram Charan (legendary advisor to senior executives and boards of directors), this book is a tremendous hands-on practical guide to successfully getting things done.

The authors show that great companies are run by people that understand that execution is their job.

The book focuses on the three core processes of getting things done:

1. The people process
2. The strategy process
3. The operations process

We will use this book as the cornerstone of the Annual Meeting Session, “The Discipline of Getting Things Done.” We will discuss:

- The Leaders 7 Essential Behaviors
- Creating the Framework for Cultural Change
- Having the Right People in the Right Place
- Linking strategy, operations and people

Actuaries who have been successful in both actuarial and non-traditional roles will discuss their real life experiences in getting things done.

Join us for a discussion that could change the way you get things done!



Career Search Networking

by John West Hadley

Many actuaries are uncomfortable with the term “networking.” It conjures up images of gliding through cocktail parties, shaking as many hands as possible and introducing ourselves to strangers. Just the thought of trying to connect with all of those unknown people makes our mouths go dry! After all, we were brought up understanding that the extroverted actuary was the one who stared at your shoes while he talked to you, and haven’t we all known actuaries who lived up to that image?

Networking shouldn’t be painful, and it’s critical to conducting an effective job search. Early in my career, I received such regular calls from recruiters that it never would have occurred to me to look for a new position any other way. As it has turned out, even though I have been on a number of interviews through recruiters, the only job changes I have ever made came through networking. This isn’t to say that you shouldn’t listen to recruiters and to go on interviews they recommend, (There are some fine ones out there to help you with your job search.) but it’s easy to rely on them too heavily. Networking should be your primary method. It can also be very effective for internal job changes. My first non-student position came about because a former boss heard I wasn’t happy about my prospects for my final rotation, and he came to me about a potential need in his new department that had not yet been posted anywhere.

In your career search networking, don’t focus your energy on looking for interviews. Call everyone you know to seek their advice on your career search. This is a very successful technique. Most people are only too happy to share advice, and are at least a little bit flattered that you consider them as a valued advisor. NEVER ask anyone to help you find a job. If they like what they hear in the “advice” discussion, they may decide to help you, but don’t ask them to, always let them volunteer. Most people, other than very close friends, are put off by requests to help find you a job—it creates pressure on them, and they may screen out possible

contacts they might have given you because they don’t think there are any potential openings at that company or department.

You may start out with friends and close business associates via phone calls. Once you expand beyond that initial group, try to make as many of the contacts as possible in person. Just ask the person if you can visit them for a half hour; if you sense that they are very busy, only ask for 15 minutes. You just want to make the contact, get advice, and hopefully another potential contact and leave a good impression. This doesn’t take long; let them extend the meeting if they feel so inclined. And there’s no need to get nervous beforehand like you might with an official interview; these are low pressure meetings.

In each contact, you are seeking to find out if they know anyone in a sector, company or position similar to what you are interested in. You might ask them if your skills seem like a fit to the type of role in which you are interested, or if there are areas they feel you should be working on. Ask if they know someone with whom they would be willing to put you in touch with to find out more about that role or company. Along the way, you will learn a lot about companies, types of positions, what’s available out there, and how your skills fit to what’s needed. You may also find out that there are certain skills or experiences that you aren’t emphasizing enough in your resume or cover letters, or that you don’t even have, that are important to what you are seeking. It is likely you will also find out about interesting roles or companies you hadn’t considered for which you are well-qualified.

These informational interviews are also a way to find out about openings before they are advertised, or even before they have been fully defined. If your contact is impressed by what he/she sees, you are likely to get special consideration as they are thinking about creating a new position. In my case, this type of contact has led to an unexpected offer for a consulting project that became the start of a successful consulting practice.

It is likely you will also find out about interesting roles or companies you hadn’t considered for which you are well-qualified.

A couple of words on tactics are in order. First, in preparation for your networking, spend a little time coming up with a “two minute pitch” of your background and skills, and how you would like to apply those skills. Write it down and practice it with your spouse, a close friend, or business colleagues until you are so comfortable with it that it rolls off the tongue at any cocktail party or informational interview. You don't want it any longer than two minutes. There's no need to bore people, you just want it comprehensive enough so that if any of the skills or background piques their interest, they can then ask you more.

Second, do some research before actually visiting a contact. Find out a little bit about their company so that you can have an intelligent conversation. You don't need to do as much research as you might for an actual interview, but you want to be prepared in case you are lucky enough to have it turn into a preliminary interview.

Next, make sure you have a strong, professional resume handy. Don't necessarily send it to the people with whom you are planning to network unless it is still in the development stage and you are also seeking their advice on the resume itself. Naturally you should send it to someone who requests it, but ideally you would like someone to get to know you through your two minute pitch and the discussion that follows, rather than from the printed resume.

A resume shown to a contact in advance of the discussion tends to pigeonhole you by what you have done in the past, rather than open up other possibilities that fit your unique set of skills and abilities. It's fine to leave one behind, or better yet, to send it with a cover letter that lets you frame the resume with a discussion about the fit of your skills to your ideal job. However, even that isn't necessary.

Finally, what is necessary is to always follow up with every contact with a thank-you letter. This includes job interviews where you are turned down for the job. Even those should be followed up with, if only so that you look like the consummate professional. You should even consider calling the interviewer to seek their advice on what additional skills you might need to qualify for such a job at another company. You may end up getting a lead to other contacts or companies to approach. And don't discount the possibility that something will change at their company such that you may be considered for a position later on. I actually had an employer who first turned me down come back with an attractive offer when the prior candidate decided the job wasn't a fit for them after all.

Networking isn't a dirty word. It gets more and more comfortable with practice and can be very profitable for your career. □

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Chairperson's Corner • from page 3

ourselves—our skills and our profession. Committee members have many opportunities to network with other actuaries at committee activities and SOA meetings. Committee members use these opportunities as natural vehicles to network for session speakers, to advertise their sessions and to recruit future committee members. This visibility also builds credibility for committee members, serves as free promotion and is a potential recruitment tool for their companies.

Leadership and management skills

Being elected to lead a committee provides rare and valuable experience in leadership and management skills. Each committee chairperson must develop a strategic direction, lead committee meetings and motivate committee members. They must also lead the development of tactical approaches for their committees to be effective. On occasion, chairpersons communicate directly with all members nationwide. Chairpersons

also spend time communicating with the “executive group” (the SOA) to report results and secure resources. Much of the leadership and management experience learned in chairing a committee is analogous and applicable to leading and managing a business; both are more about interactions with people than the specifics of the business.

These days, fewer actuaries are encouraged by their managers to engage in committee work. However, committee work can provide valuable free training on business savvy skills—the skills needed most for actuarial productivity gains. When approached from this perspective, it appears that managers have much to gain from sending actuaries out to “give back” through committee work, because when they return, they will have gotten much more than they gave. □

Ins and Outs About Schmidt and About You

by David Duncan



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Do you hate doing the same old things every day, such as:

- Carrying groceries?
- Driving the same route to work?
- Shaving?
- Ironing?
- Filling your gas tank?
- Standing in line at the store?

The phrase “Another day, another dollar” could often be better replaced with, “Another day—*same* old day—another dollar.”

Many of you have seen the movie “About Schmidt.” If you haven’t seen it yet, it is definitely worth seeing! Jack Nicholson is the main character in the movie, playing Schmidt, an actuary retiring from the Woodmen of the World Life Insurance Company in Omaha, Nebraska. Schmidt’s life is horribly boring and depressing. For Schmidt, every day is “another day—*same* old day—another dollar.” He shows up for work, does his job, returns home to a wife who gets under his skin, eats and sleeps. After Schmidt retires and his wife dies, his boring life increasingly falls apart and he begins to sponsor and correspond with a Tanzanian boy named Ndugu, who becomes Schmidt’s spiritual lifeline.

The movie is ... well ... “About Schmidt.” (Incidentally, I don’t remember if Schmidt even had a first name. I looked him up in the Actuarial Membership Directory, but he was not listed.)

The first weekend of May, I had the opportunity to travel to Omaha. I own a few shares of stock in a company called Berkshire Hathaway, and I always attend the annual shareholders meeting. Berkshire Hathaway is the company run by the second wealthiest man in the world—the “Oracle of Omaha”—Warren Buffett. This shareholders meeting is described as the “Woodstock of Capitalism,” since over 15,000 people attend it. I personally find it enlightening and entertaining, if not downright rewarding (note: a \$10,000 investment in 1965 would be worth \$50 million today. Unfortunately, I was late to the investment party and did not invest until 1996).

While I was in Omaha, I decided to retrace a few of Schmidt’s steps, so I thought that I would share them with you. For those of you who saw the movie, you may recognize a few of these places.

This is the Woodmen tower. This was Schmidt’s daily hangout—Monday through Friday, day in and day out.



When Schmidt retired from the Woodmen, his pals and co-workers threw a retirement party for him at Johnny’s Cafe, a landmark restaurant near the stockyards on Omaha’s south side. Here I am, first in line at Johnny’s.





One day, Schmidt left his house to go to the post office. His wife told him not to “dilly dally,” and in the next scene he is seen taking a “Dilly Bar” break at Dairy Queen (a Berkshire Hathaway subsidiary, by the way). This is the actual DQ from the movie. You can see that I’m having a great time in the terrific Omaha weather, just like Schmidt.

As I posed for the “About Schmidt” photographs, I asked myself if anyone would pay \$7 to see a potential movie called “About Duncan”? If so, what would be the movie highlights? Would it be a comedy, drama, romance, action or horror film? What would I be saying? How would I be living? What would be the highlights if I had to condense 50+ years of living into 120 minutes of film? Would people laugh at me? Or would they cry for me?

But this column is not “About Duncan”. It is “About YOU.” What if someone made a movie about your life, and the name of the movie was “About _____” (fill in your last name). Now, think about what this movie would be like. Do you like what you see?

- If your answer is “yes,” then find yourself a movie producer and become a Hollywood star as soon as possible. There is good money in this field.
- If your answer is “no,” then it’s “About Time” to remind yourself to do something about it. Find your areas of interest and pursue them. Find your areas of strength, and build upon them. Make the changes in your life to achieve things of meaning and to create a living legacy.

We are all a part of the Management and Personal Development Section of the Society of Actuaries. We belong for a reason. The reason is to learn from each other, and to challenge each other to realize our unique potential. This newsletter, *The Stepping Stone*, contains information to help you step to the next level in your personal and professional life.

This article is “About Schmidt”, but it is primarily “About You”. Keep your focus on self-improvement, growth and development! And thanks for being a part of the Management & Personal Development Section!

— Dave Duncan

(Author’s comments: Neither the movie “About Schmidt” nor my photographs do justice to the city of Omaha. It’s actually a terrific place to visit, and a remarkable place to live. For those of you who have never been to Omaha, I would highly recommend going there. The Joslyn Art Museum is fantastic, and the Western Heritage Museum is fascinating. The Henry Doorly Zoo is a world class facility, and The Lied Jungle is the world’s largest indoor tropical rainforest. The Old Market area downtown is loaded with quaint shops and excellent restaurants, and is adjacent to the new Convention Center and the new Gallup University. And last, but certainly not least, the people in Omaha are wonderful!) □



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