

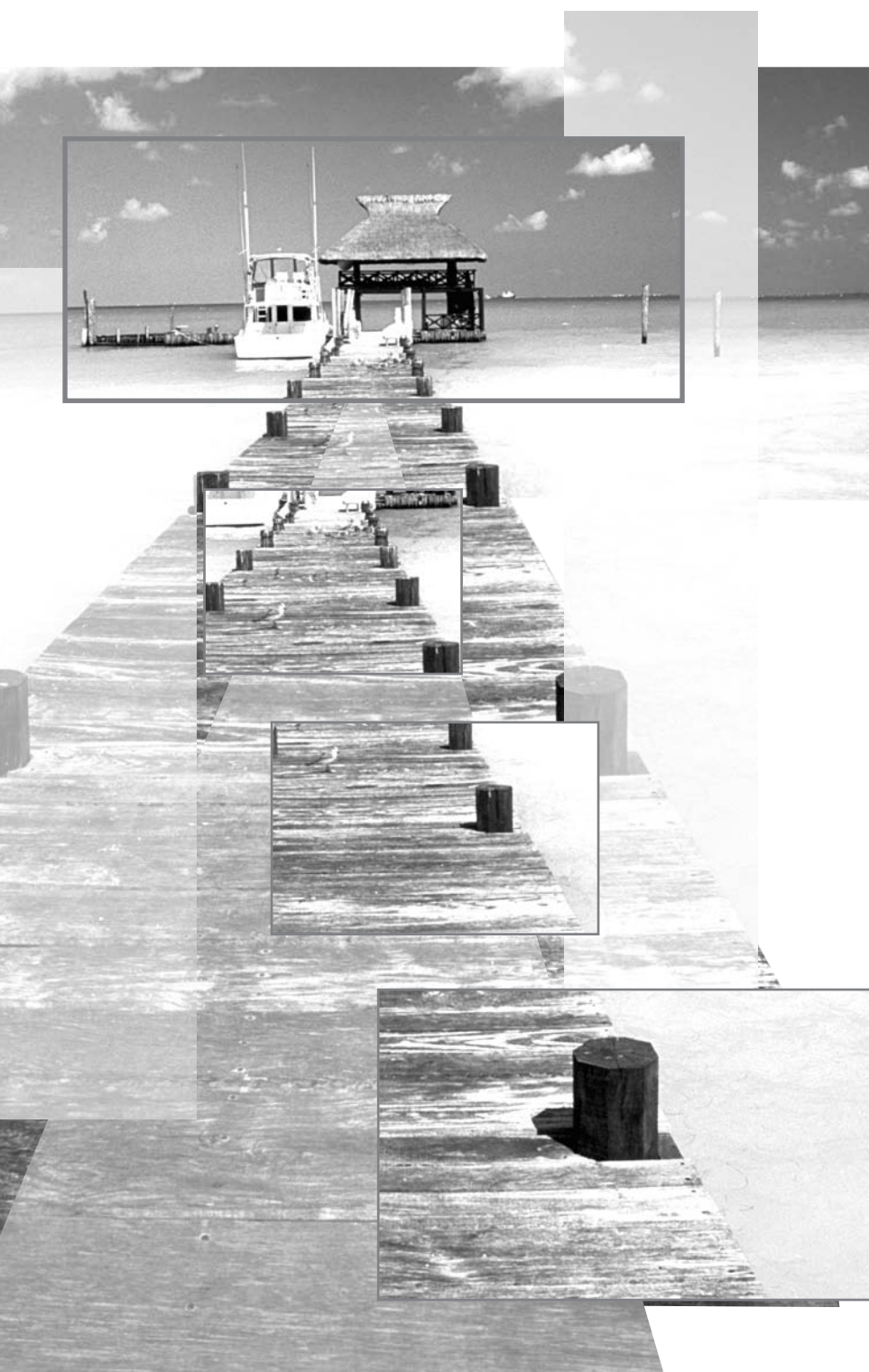


# The Stepping Stone

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Management and Personal  
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## contents

<b>Editor's Note</b>	
by Sim Segal .....	2
<b>Chairperson's Corner</b>	
by Daniel L. Shinnick .....	3
<b>BUSINESS SAVVY</b>	
<b>Leadership Through Mastery of Soft Skills</b>	
by Jim Blair .....	4
<b>Take Charge of Your Success</b>	
by Lisa Bull .....	8
<b>MANAGEMENT</b>	
<b>In Search of Relevance</b>	
by David Duncan .....	13
<b>Managerially Speaking, Which Shareholder Are We Talking About?</b>	
by Marcel Gingras .....	14
<b>PERSONAL DEVELOPMENT</b>	
<b>Part of the Larger Global Picture</b>	
by Eli Amdur .....	17
<b>Achieving Balance</b>	
by Tricia Matson .....	20
<b>Hit the Ground Running In Your New Position</b>	
by John West Hadley .....	22
<b>What Did He Say?</b>	
by Tim Pratt .....	24
<b>Follow Your Fear</b>	
by Bob Morand .....	26
<b>Reinventing the Actuarial Image</b>	
by Sudha Shenoy .....	29
<b>Business Writing</b>	
by Daniel L. Shinnick .....	31
<b>PowerPoint Pipeline</b>	
by Frank Grossman .....	32
<b>Build Rapport for Greater Influence</b>	
by David C. Miller .....	38

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## From the Editor

### Why Reading This Issue Can Help You Avoid A Career Trap



*Editor*

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Most actuaries are aware that they lack some business-savvy skills. However, some actuaries are not so convinced. This is usually either because they excel in one particular area (e.g., communication), and conveniently ignore other business savvy skills, or they excel in all business-savvy skills, but only when compared to other actuaries. Both of these are traps that can inhibit growth. To continue to advance their careers, actuaries must:

- Develop a comprehensive set of business-savvy skills, and
- Seek out diverse perspectives to accurately evaluate their competency.

#### **Comprehensive Skills**

Gaps in any one of the business-savvy skills can derail even the best career plans. In the last edition of this newsletter, we pledged to offer at least one article in each of the five business-savvy categories—people management, business management, career development, communication skills and interpersonal skills. In this edition, we continue to make good on that pledge, and have again provided this broad range of coverage. When you read the articles in each category, think about how you would rate yourself in each skill discussed.

#### **Diverse Perspectives**

Like any other highly technical group, most actuaries spend a large percentage of their time interacting with other actuaries, which gives us a narrow viewpoint. To compensate for this, we should actively seek out perspectives different from our own. As we do, we gain a more complete picture of ourselves as business people and a more honest evaluation of areas needing improvement. In this edition, we offer several articles that present diverse perspectives—each is a unique opportunity to see yourself differently.

- Jim Blair, actuarial program recruiting manager for Prudential, shares his inside view on the importance of “soft skills” to employers; you will enjoy his unique perspective and his quotations, including my favorite Albert Einstein quote
- Lisa Bull, an actuarial recruiter, shows us that two leading indicators of your success are the people with whom you choose to associate and the books that you choose to read; Lisa also provides a recommended reading list
- Marcel Gingras, an independent consultant, discusses some challenges public companies face in trying to serve shareholders
- Eli Amdur, a career coach and adjunct professor of executive communication and leadership, draws on his depth and breadth of experience (including his work with actuaries) and uses a number of anecdotes, examples and quotes to illustrate why actuaries can’t be just actuaries anymore
- Tim Pratt, an actuary originally from Australia, gives an international perspective on the often humorous challenges of communications across cultural boundaries; see if you can translate his opening puzzle before the end of the article without making “a dog’s breakfast” of it
- Bob Morand, an actuarial recruiter for DW Simpson & Company and a veteran of Chicago’s famous “Second City” improvisation group, reveals one of the secrets of the success afforded to those who “follow their fear”

I hope you enjoy this edition and avail yourself of the opportunity to expand the range of your business-savvy skills toward a more comprehensive arsenal, and also to more accurately assess how you measure up after considering a diverse set of alternate perspectives. □

# How to Become an Actuarial Idol

by Daniel L. Shinnick



Chairperson

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**M**y adolescent daughters have gotten me into "American Idol." Not because I love how Simon berates the contestants, or because I can't wait until I get to vote for my favorite or because I think JPL is cute. It is because it is a great metaphor for how to be a successful actuary—REALLY! OK, it's because I really wanted La Toya to win.

Let's take a look at what it takes to be an American Idol and see how it applies to becoming an Actuarial Idol. The steps are the same, and the realities are strikingly similar:

## Steps

- Set Goals
- Be Prepared
- Try Many Things
- Get feedback—and act on it
- Have fun, do your best, enjoy yourself

## Realities

- You're always being judged—often by people you don't know
- Life is not always fair—get over it
- What you do, how you do it and who you know are all important
- In the end you have to perform

## Setting Goals

In "American Idol," some people were just happy to try out, like William Hung. Others were thrilled to make it to the finals and a few special people were driven to be the American Idol.

As actuaries we can aspire to many things—becoming an FSA, being a great technician, managing people, being great team members or being organizational leaders. As we go through our careers, we need to look forward and think about where we want to go. And that will be a different place for each of us.

## Be Prepared

The people who were successful on "American Idol" did not just show up on a lark. They were prepared. They planned and worked to achieve their goals. They had taken singing and dancing lessons and performed many times.

To be successful, we also need to be prepared. We develop our technical skills through actuarial exams and work experience. We develop our business skills through work experience and learning about the softer side of working with others.

## Try many things

On "American Idol" they had to perform songs by Elton John, Barry Manilow, Gloria Estefan and perform show tunes, Motown and country. The performers who embraced the different styles and performed well were the ones who moved on.

Actuaries have the opportunity to do many things—valuation, product development, pricing, consulting and project work. The more things we try and excel at, the more valuable we are to our organizations and to ourselves.

## Get feedback, whether you like it or not—and act upon it

The contestants certainly got a lot of feedback and it wasn't always pleasant. Simon may have been mean, but his feedback was helpful. The performers that listened and changed were the ones who ended up going on.

We don't always like to get feedback—especially in areas where we need to improve. But, it is a great way to learn and grow. Get feedback from co-workers, bosses and teammates. Find people who will give it to you straight; they don't need to be as rude as Simon, but as honest would be good. Your willingness to change is as important as getting feedback.

## You're always being judged—often by people you don't know

There was a vote every night and contestants were voted for by millions of people across the country.

At work, we rarely take a vote on your career. However, every day you are being judged. Your work, meeting conduct, presentations and working relationships are all part of what your manager and others in the organization judge you on.

## Life is not always fair

Ask Jennifer Hudson, one of my favorites, who got unexpectedly voted off for reasons unknown. I personally think it was due to a conspiracy by adolescent girls.

This happens at work too. Sometimes you don't get the promotion you want or the plum assignment. When this happens, you need to choose to get over it and move on. If you can, find out why you didn't get it and address the problems you find.

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**Actuaries have the opportunity to do many things—valuation, product development, pricing, consulting and project work. The more things we try and excel at, the more valuable we are to our organizations and to ourselves.**

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# Leadership Through Mastery of Soft Skills

by Jim Blair

**W**ill greater success follow mastering soft skills? Absolutely! Your current position was earned applying technical expertise. It is crucial, however, to recognize that focusing on improving and broadening your technical skills may actually hinder promotional opportunities, as you may be considered a specialist. Technical skills are expected in your current role, but management is looking to see what leadership and business skills you have.

While technical skills remain essential, actuaries must complement their technical knowledge with social skills to enjoy professional achievement and success. Remember, both are vital; what you do and how you do it. Acquiring command of several soft skills will attract others to help you complete projects. These additional individuals will ease your workload while increasing the quantity of work performed.

*“Motivation is the art of getting people to do what you want them to do because they want to do it.”*  
Dwight Eisenhower

Additional benefits include decreasing employee turnover as team members enjoy their work and seek ways to grow in your department. Recruiting becomes easy, owing to team members recommending internal and external individuals for open positions, resulting in significant savings in time for you and dollars for the department. Results like these will earn you a reputation as an emerging leader. You could be asked to chair project teams or task forces on issues that cross departmental lines, giving you the broader business experience and knowledge demanded for opportunities at the executive level.

*“My mother taught me very early to believe I could achieve any accomplishment I wanted to. The first was to walk without braces.”*  
Wilma Rudolph

Is adroit use of soft skills an elixir to leadership? Can I learn all I need to know? There are hundreds of books, thousands of articles and substantial research espousing the virtues of soft skills. Trouble is, which ones make you most effective at work, with family and friends, at social gatherings, professional meetings and volunteer functions? You delude yourself if you believe your current soft skills are not measured, either consciously or unconsciously, by those present at each opportunity.

Does it have to be this complicated? Many traits are similar and these can be practiced throughout the day. Imagine deliberately practicing listening skills at the office, at home with your family, then at the school board meeting in the evening. You are certain to improve!

*“You are what you repeatedly do. Excellence is not an event—it is a habit.”*  
Aristotle

## What Skills Do I Need?

Skills fall into four areas:

- Personal (internal focus)
- Interpersonal (relational focus)
- Leadership (group focus)
- Organizational Awareness (contextual focus)

You'll notice there are many soft skills, but technical skills are only listed once. Why? Because far fewer technical skills are necessary for any position to be done well. Still unconvinced? Draw a line down the center of a page with one side for technical skills and the other soft skills. Now, list the skills required of the executives at your company. Which group has more traits?

Try picking out a few skills you know you need to improve. If you have any doubts, remember how uncomfortable you were the last time you needed to use one of these skills. How about interviewing a person for your



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**Draw a line down the center of a page with one side for technical skills and the other soft skills. Now, list the skills required of the executives at your company. Which group has more traits?**

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## Leadership Through Mastery of Soft Skills • continued from prior page —

staff? Does the process go smoothly at praising or disciplinary meetings? Are you comfortable making presentations? More to the point, are you effective? How do you know?

### 1. Personal Skills (Your Intellect, Education & Experience)

**Technical.** All positions have specific skills that are an integral part of the job, such as: plumbers sweating pipes, dentists examining teeth, photographers positioning lighting sources or actuaries pricing insurance.

**Problem Solving.** This is a rose by any other name: critical thinking, common sense. Individuals often prefer a more sophisticated title when ascribing this skill to senior positions. This talent is the crux of most positions, but the key is there are two parts. Many individuals can properly assess a situation, identify resources, analyze the data and recommend options and a course of action. The superior person uses 'soft skills' to secure buy-in from affected parties as to who will be involved, methods to be utilized, deadlines and how results are evaluated.

**Perspective.** This provides your capacity to view things and situations in their true relationship or relative importance. Most of the dimensions and concepts of how you view the world reside here; from using time wisely to your mental filters for preferences and biases plus creativity and choosing goals and a course of action.

*"Don't let yesterday use up too much of today."*  
Cherokee proverb

### (Your Heart)

**Passion.** This gets you excited about your work, provides the energy to initiate something new, resilience after defeat, courage to proceed despite ambiguity and confidence to inspire others to follow you. Popular in management literature is the concept of Emotional Intelligence. Here is the definition directly from its originators. **Emotional Intelligence** "is a type of social intelligence that involves the abil-

ity to monitor one's own and others' emotions, to discriminate among them, and to use the information to guide one's thinking and actions" (Mayer & Salovey, 1993: 433).

### (Your Behavior)

**Character.** You can expect that if you follow the Golden Rule, do what's right when nobody's looking, and live as your family taught you, people will respect and follow your lead. People enjoy consistency of behavior and direction. Knowing what to expect from you is important. Integrity is earned over time, but lost in a second. Would there be Enron, Arthur Andersen, Global Crossing and Parmalat debacles if their leadership possessed impeccable character? Would we need a Sarbanes-Oxley Act? How many politicians, media personalities, entertainment and sports stars have forfeited their lofty position due to inexcusable actions?

*"Nearly all men can stand adversity, but if you want to test a man's character, give him power."*  
Abraham Lincoln

### 2. Interpersonal Skills

**Listening.** Treat listening as a challenging mental task and to show you respect the speaker. Active listening demands your full attention to the speaker by maintaining eye contact and focusing on content. It's imperative to acknowledge expressed feelings while avoiding emotional involvement, distractions and jumping to conclusions.

This is not the time for multi-tasking—reading e-mail while on the phone or looking at the speaker and thinking about your appointment schedule. People get feedback that you are listening to them from your expressions, nodding your head and hearing an agreeing word. Speakers are entrusting you with information and may be expecting you to take action.

*"When people talk, listen completely.  
Most people never listen."*  
Ernest Hemingway

**Communications.** Communicating is more than language. Successful communicators adjust their style and behavior to meet the

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**The superior person uses 'soft skills' to secure buy-in from affected parties as to who will be involved, methods to be utilized, deadlines and how results are evaluated.**

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needs of individual situations. If you have been to a Myers-Briggs seminar, you'll recognize the rationale for doing this. You need to acknowledge the emotions and ideas of others by listening and responding with empathy to build trust. You need to communicate with confidence and poise while sounding genuine and sincere. In addition, you have to be careful of your body language and individuals for whom English is a second language. Wow! There is so much to learn. What about your presentation skills? Most surveys say people would rather die than give a presentation to a group. Does this include you?

*"It's not what you say, but how you say it!"*  
Mae West

**Negotiation.** It's possible to achieve results while fostering relationships among colleagues, clients, vendors, friends and family. Negotiations are often recurring situations, so they produce opportunities to build your integrity and respect with the other party. Most things are negotiated either with or without your consent. In the United States, bargaining is usually reserved for purchasing cars and homes. In many countries haggling is expected and enjoyed as a normal part of business. In this international environment, you need to be a superior negotiator. Changing your style of negotiation changes how individuals perceive and deal with you.

*"Insanity: doing the same thing over and over again and expecting different results."*  
Albert Einstein

**Conflict Resolution.** Conflict is inevitable and ignoring it only allows the unresolved conflict to escalate. Successfully handling conflict involves knowing how to use words and actions that diffuse the anger, brings out the issues and helps resolve the source of the conflict. You are likely to have a predominate style in handling conflict. Unfortunately, the same style works only some of the time. Conflicts occur within us, between individuals, individuals and groups, plus groups and other groups. It's obvious, one solution doesn't fit all situations.

*"They may forget what you said, but they will never forget how you made them feel."*  
Carl W. Buechner

### 3. Leadership Skills

**Vision.** Executives are expected to espouse a vision, an idea that must become a guiding principle for decisions throughout the company. Visions should be sufficiently clear and concise so everyone in the organization understands and can buy into it with passion. A vision has power because actions are expected to support it. Visions can be quite simple: Walt Disney's vision was "to make people happy," or inspirational: "I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the Earth."—John F. Kennedy, May 25, 1961.

**Courage.** This isn't challenging windmills. You are responsible for interpreting and enforcing the social, ethical and legal rules of conduct or moral principles guiding individual or group behavior. Standing tall for what you believe in the face of adversity is tough. Actuaries have a Code of Conduct that is first encountered during the Fellowship Admissions Course for professional guidance, but please ask for assistance from a human resource, ethics or compliance department about dealing with these complex and occasionally conflicting issues.

*"Behold the turtle. He only makes progress when he sticks his neck out."*  
James Bryant Conant, former president of Harvard

**Influence.** Partnering with employees of other departments is the mantra of today's management. How does your team lead various initiatives with members of other departments over whom they have no formal authority? The skills of persuasion are challenging to master for internal situations and especially so when you are applying them to opportunities with vendors, government and other organizations. There are career influencers—lobbyists.

**Motivation.** It is up to you to create an environment where employees feel motivated. Motivation originates from within. You can't motivate anyone. Threats and blind obedience are not motivators. Factors such as trust, recognition and challenging work with opportunities for development are key conditions to energize your staff to thrive.

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**Conflict is inevitable and ignoring it only allows the unresolved conflict to escalate.**

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## Leadership Through Mastery of Soft Skills • continued from prior page

**Delegation.** Through delegation, you have the opportunity to develop your team by becoming the catalyst for transferring responsibility and authority for specific projects and activities. Control is maintained by training your team members to analyze a problem utilizing the same criteria as you would. Successful delegation allows you to increase productivity, motivation and provide professional growth for your staff, while giving yourself time to concentrate on strategic issues.

*"Few things help an individual more than to place responsibility upon them and to let them know that you trust them."*

Booker T. Washington

**Coaching.** Think about the best boss or executive with whom you have worked. What qualities did they have? Most people say the individual had the qualities of a great coach. By assisting your team members to develop critical thinking skills for working through problems and opportunities, you'll improve their effectiveness, raise their morale and increase retention of key people. Bonus: You will have to coach them on their use of soft skills—a fine reason to perfect your own interpersonal skills.

*"I hear and I forget. I see and I remember. I do and I understand."*

Confucius

#### 4. Organizational Awareness

**Culture.** These are unwritten rules, methods, goals, interactions, expectations and values shared by employees which are usually established over time. Often, the larger and older a company is, the more ingrained the culture. For new employees, hearing comments like 'get with the program' are suggestions to follow the established culture. Culture can be a guiding force and a source of power when it is aligned with the company strategy. It may be a security blanket for current employees which is torn when intervening forces—government regulation, sale of the company or market changes—significantly alter the company business.

**Politics.** Inescapable as taxes, every endeavor and organization with a delineation of power has politics. Politics can be a source of power as

can affiliation, knowledge and, of course, position. You may have a senior position at your firm, but your position, and you, can be trumped by politics. Not convinced? Ever hear, "You have to get Bill's approval on that," when Bill is not part of the obvious approval process? Think about some executive assistants. Politics can be good, but most see them as a method used for manipulation to get something.

**Environment.** The typical family business is a great example of one business environment. All rules, power, direction, leadership and opportunity come from the owner. Assuming you are not a business owner, the working environment can affect your team's work. Contrast the atmosphere in a start-up company with one just declaring Chapter 11. There is likely to be frenetic activity and excitement at the start-up and much frustration, anger and resignation at the bankrupt company. Your firm is probably between these extremes, although the environment within the company affects everyone. It's how the employee, the supervisor and executive management deal with it that makes the difference.

Soft skills can be learned, improved and some even perfected. The ball is in your court to decide to improve. Speaking of sports, all athletes practice regularly to maintain and improve their ability. How often do you consciously practice a soft skill? I've repeatedly said to my children, you're not going to improve a skill without doing it.

Articles in *The Stepping Stone* have regularly espoused the benefits of 'soft' skills. Actuaries are notorious for their perceived lack of soft skills, but so are engineers, scientists, accountants and many doctors. As is often said, perception is reality. Remember those commercials saying "50,000 people can't be wrong?" Accept that collectively improvement is needed. Take some comfort, though; few individuals in any profession are outstanding in every professional and personal skill. Most importantly, what are you doing about it? □

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**Successful delegation allows you to increase productivity, motivation and provide professional growth for your staff, while giving yourself time to concentrate on strategic issues.**

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# Take Charge of Your Success— Embrace Personal Development

by Lisa Bull

Most of us would acknowledge that to achieve success and advance our careers, we must acquire new skills, increase our core competencies and adapt to an ever-changing industry. In short, we must learn, grow and evolve. Yet many of us may not place the same significance on developing our skills in dealing with people, forming healthy habits, increasing our self-discipline, practicing goal setting, establishing effective time management, enhancing our parenting abilities, reflecting on our spiritual growth, refining long-established thought patterns and so on.

Too many of us still view our professional development as separate from our personal development. Perhaps that's because personal growth remains a subject not openly discussed around the water cooler. And why not? Perhaps personal development, for many, conjures images of cheesy self-help books, CDs full of self-affirmations, rah-rah motivational seminars—you know, pledge week on public television.

Such an attitude would be of no consequence except for one truth—where you will be in five years is entirely a result of the books you read and the people with whom you associate. While there are many tools we can use to craft our own personal development plan, this article will focus on the two most influential—reading and association.

## Association

Don't believe it? Think back to your teenage years. Did your parents caution you against hanging around with the wrong crowd (their definition, of course)? Why? Because if you spent time with people headed in the wrong direction, there's a good chance you'd assimilate those negative influences and fall into unhealthy, destructive habits yourself.

So at what age does that stop being true? Twenty-five? Thirty-five? Maybe 55? Or,

maybe never. If that's the case—that we will continue to be influenced by those we surround ourselves with—then perhaps we should choose our “associates” (those with whom we associate) carefully. The reality, however, is that many of us don't “choose” at all. We wind up hanging out with co-workers, neighbors, family members, club members, etc., because they're easily accessible...or we're expected to do so. We let convenience, not conscious choice, drive one of two key determinants to our success.

Think about an individual you spend time with frequently. How do you come away from that time together? Do you feel energized, inspired, thoughtful, happy, apathetic, irritated, depressed? Take a moment to reflect on this question about other “associates.” Seeing any patterns emerge?

Hopefully, you perceive those influences to be encouraging, rewarding, challenging (in a positive sense), and as pulling you toward the person you want to become. If you don't feel that way, consider why and how you'll seek out different influences.

## The Critical Role of Mentors

In a recent conversation with a rising star of a leading consulting organization, I asked him to what he attributed his success. Without thinking, he immediately replied, “the mentors I've been able to tap.” He quickly listed five individuals as comprising his “mastermind group” (Napoleon Hill's term) or “inner circle” (John Maxwell's term)—and they differed in their areas of expertise, place within the organization, depth/absence of actuarial accreditation, life experience, age and personality style. This is a good recipe for success.

The problem with the whole concept of mentoring is that it requires humility. And humility is a quality seen too often as a weakness, not strength. The best leaders were excellent followers at some point, yet it seems we forget this.

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Take Charge of Your Success • continued from prior page

You may wish to reflect on a past success of your own. How did you achieve it? Was it 100 percent a result of your smarts, creativity and execution—devoid of any external influence? Odds are, you had some input along the way that positioned you for that success. Knowing this, let's get smart about how to cultivate the best possible influence.

**Find a Mentor**

If the goal of having a mentor is to provide you insight that you don't possess, it makes sense that you'll be best served by drawing on very different individuals from both professional and personal areas of your life. The following questions may assist you in your selection(s):

Is he/she where I want to be in their quality of relationships, financial resources/security, professional expertise, zest for life?

Does he/she have a vested interest in my success? (Not necessarily financial...your mentor's "vested interest" may be the personal satisfaction he/she will feel by helping you achieve your potential.)

Has he/she mentored others? If so, to what result? (Note that your evaluation should consider that not all proteges reach success, and this fact may have much less to do with the efficacy of the mentor than the desire and follow-through of the mentored.) And finally, do I trust him/her and will he/she trust me?

If you truly believe this individual is "qualified" to lead you and will put your interests first, then embrace what you learn. The best mentors are willing to tell us what we don't want to hear, when we don't want to hear it. If you find yourself in that situation, you can trust you have a person in your life who places your personal development above the friendship he/she has with you. You can't ask for a greater commitment.

**Moving On—Addressing Poor Association**

Allow your mentor(s) to provide insight that you cannot provide for yourself, including perspective on the people with whom you're surrounding yourself. Now the tough part comes. What if you'd be better served by not spending time with your spouse's mother—whom

he/she adores and lives across the street? No easy formula. You may wish to ease into this by talking openly with your spouse about how you feel and the ultimate result you're committed to accomplishing (which is probably not to offend or hurt the individual's feelings).

We're not talking about cutting "cold-turkey" all contact with such an individual. Depending on the degree of negativity, however, you may conclude that that's the right way to go. I've been there a couple times myself—it's not easy, but it was 100 percent the right thing to do. But come to think of it, how often in your life have the easy decisions proven to be the best decisions over time?

**The Books We Read**

Successful people are readers. The books they read, by the way, aren't the latest fiction offerings; rather, you'll find successful people reading titles covering:

- Biographies and autobiographies of current or historical leaders
- Motivation
- Psychology
- Selling skills
- Management philosophy
- Time management
- Good health and nutrition
- Relationships
- Personality profiles
- Spiritual topics
- Wealth building
- Historical events

At a recent actuarial club meeting, a candidate who was making good progress in his firm—getting tapped for key projects and receiving recognition for his results—questioned me if the "leaders are readers" thought was for real. I encouraged him to simply ask his boss, highly respected in the organization, "What are you reading now?" Though he felt his boss wouldn't understand the

*Success Magazine* interviewed 75,000 people between 1991-1997. What emerged is a stunning demonstration of how embracing personal development results in personal and professional success. The survey defined "success" as an individual with the following three characteristics:

- In a loving and permanent relationship;
- Enjoys what he/she does for a living;
- And has liquid assets of \$1 million or more.



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**Take Charge of Your Success • continued from prior page**

question (coming out of nowhere), he asked anyway. His boss replied readily, describing with enthusiasm a nonfiction history genre about which he had spent a lot of time over the last several months exploring. This candidate was utterly surprised to see the point proven.

**So Many Books, So Little Time**

So where to start? Of course, the best resource to tap is your mentor(s). He/she knows you best and can steer you to a book appropriate for where you are today. If you don't have a mentoring relationship already established, consider approaching a highly respected executive within your organization. It's unfortunate that people often perceive successful people as too busy and too important to "condescend" to speak with someone less important, less strategic. That couldn't be further from the truth.

Successful people will always take the time to meet with an individual seeking to improve his/her own performance.

The caveat is that you must seek them out. By definition, they are busy. In addition, they recognize that only a small percentage of people are truly looking to enhance their personal development. That's a critical fact if you consider when you last received unsolicited advice from someone. Did you take it? Did you even really give it much reflection? Successful people can't waste precious time and energy where there's a poor ROI. Approach these people with sincerity and enthusiasm and see what happens.

You'll find a recommended reading list at the end of this article (a sampling of books I've personally read and would highly recommend). A comprehensive list would be unwieldy, if not

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**Successful people will always take the time to meet with an individual seeking to improve his/her own performance.**

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**Personal Development Pitfall**

Here's an example of the pitfalls of not embracing one's own personal development: A candidate we placed had everything going for him—rapid exam progress, promotions, involvement in strategic projects, recognition and, ability to work effectively with internal and external customers. He interviewed with an intensely fast-paced, high-expectations team and got the job. Since he's been with the new organization, he's had some struggles to make the transition—even though he was confident he'd slide right in with a minimum ramp-up, and even though the employer was up front with this candidate that he had a number of deficiencies in his skill set to address before he could really leverage his potential (I call it "Swiss cheese" knowledge).

He'd learned enough in his career to make solid impressions in particular situations, but outside those experiences his foundation of knowledge wasn't broad enough to accurately and effectively deal with new situations he was encountering. Even so, he's received a promotion to recognize where he has added value.

The problem is not his skills deficit, but his reaction. Instead of being open to "backfilling" a bit on some technical pieces, he's found himself frustrated and irritated. He feels like he's not getting the strategic exposure he had been getting previously because he refuses to see the value in stepping back in a sense to take a giant step forward.

The truly unfortunate part is that if he does not embrace personal development now—clearly, this is more than technical stuff, like attitude, motivation, people skills, goal setting—this candidate will encounter this same road block at the next employer, and the next, and so on.

**Take Charge of Your Success • continued from prior page**

impossible to compile. A great starting place is with *The Magic of Thinking Big* by David Schwartz. If it strikes you as hokey, I challenge you to give it a read. (If you can honestly say after reading it in its entirety that it was a complete waste, please contact me because it'd be of interest for me to understand why.)

**But I Hate To Read!**

Isn't that how many of us feel? Let's look at the results created by an unwillingness to simply read 10-15 minutes a day in a positive book:

- How much did you learn about yourself today?
- How much did you learn about how to more effectively communicate with others (beyond "I talked, he listened")?
- How motivated do you feel to achieve your goals?
- Have you even set any goals?
- Did you confront any situation today that made you feel uncomfortable/angry/fearful?
- Are you any more prepared than you were today to confidently and appropriately handle that situation in the future so all parties involved feel a win-win?

You get the idea. If nothing changes, nothing changes. Put yourself in a position to succeed. Avail yourself of tools to improve your chance of identifying and achieving your own potential.

**Your choice**

The wrap-up here is that it's all about you. You get to choose.

How do you define success? What do you want? What are you willing to do to journey toward that definition? Keep in mind that wherever you draw the line—I won't read/get a mentor/redefine my "associates"/listen to a motivational CD program/attend a seminar/turn off the TV sooner/and so on—is where your success stops. Don't negotiate with your success. Decide what the prize is, calculate the price, then pay it.

You can be strong-armed into attending professional development forums. Employers have the carrot or stick required to force your participation. If that's your situation, it's regrettable because you and your employer will be disappointed by the results.

Recognize, however, that no one can force you to embrace your own personal development. Should you choose to do so, you will take charge of your success.

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**Put yourself in a position to succeed. Avail yourself of tools to improve your chance of identifying and achieving your own potential.**

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Results	Successful Person	Average Person
Books	Reads 1.5 hours per day Reads 3 books per month 75 percent of books read are nonfiction	Reads 2 minutes per day Reads 1 book every 20 months Reads 1 nonfiction book every 5-6 years
TV	Watches 2 hours per week	Watches 3 hours per day
Tapes/ CD Programs	Purchases 3-4 programs per year	Purchases 1 program every 5-7 years
Seminars	Attends 3-5 per year	Attends 1 every 3-5 years

**Take Charge of Your Success • continued from prior page** —————

**Recommended Reading List**

*The Magic of Thinking Big* by David J. Schwartz (1959 Prentice-Hall, Inc., New York, NY)

*How To Get Rich* by Donald J. Trump (2004 Random House, NY)

*The 21 Success Secrets of Self-Made Millionaires* by Brian Tracy (2001 Executive Books, Mechanicsburg, PA)

*How to Win Friends and Influence People* by Dale Carnegie [Original Copyright 1936] Pocket Books, New York, NY)

*Seeds of Greatness* by Denis Waitley (1983 Pocket Books, New York, NY)

*Failing Forward* by John C. Maxwell (2000 Thomas Nelson Publishers, Nashville, TN)

*The 21 Irrefutable Laws of Leadership* by John C. Maxwell (1998 Thomas Nelson Publishers, Nashville, TN)

*The Power of Positive Thinking* by Norman Vincent Peale (1990 Doubleday, New York, NY)

*Success Is a Choice* by Rick Pitino (1997 Broadway Books, New York, NY)

*A Few Keys to All Success* by Jim Muncy (2002 Few Keys, Valdosta, GA)

*The Instant Millionaire* by Mark Fisher (1990 New World Library, Novato, CA)

*Benjamin Franklin* by Edmund S. Morgan (2002 Yale University Press, New Haven, CT)

*Grinding It Out* by Ray Kroc (1977 St. Martin's Press, New York, NY)

*Sam Walton—Made in America* by Sam Walton (1993 Bantam Books, New York, NY)

*The Long Walk* by Slavodmir Rawicz (1997 The Lyons Press, Guilford, CT)

*Frozen Footprints* by Alicia Gilewicz (1998 INTI Publishing, Tampa, FL)

*The Seven Spiritual Laws for Parents* by Deepak Chopra (1997 Harmony Books, New York, NY)

*Rich Kid, Smart Kid* by Robert Kiyosaki

*Awaken the Giant Within* by Anthony Robbins (A Fireside Book, New York, NY)

*The Four Agreements* by Don Miguel Ruiz (1997 Amerg-Allen Publishing, Inc., San-Raphael, CA)

*Way of the Peaceful Warrior* by Dan Millman (1980 H.J. Kramer, Inc., Tiburon, CA)

**Chairperson's Corner • continued from page 3** —————

**What you do, how you do it and who you know are all important**

On "American Idol" it's not just singing and dancing, it's also about stage presence, personality and fan base.

At work, It's not just about computing and analyzing, it's also working with others, presentation skills, networking and seeing the big picture. Realize it is important for you to work on all of these. Unfortunately, just being smart isn't enough.

**In the end you have to perform**

Just ask John Stevens—being 16 and having red hair can get you only so far!

It takes the whole package to be successful—actuarial skills, people skills, business savvy and a performance orientation. There really is no way to "Succeed in Business Without Really Trying."

**Have fun, do your best, enjoy the journey**

A final word of advice, actuaries have great jobs, enjoy yours, have fun and do your best. □



# In Search of Relevance

by Dave Duncan

Actuaries are searching and hungering for more relevance. We believe that opportunities should exist for our skill sets in nontraditional settings, yet find it difficult to find acceptance from others in making that transition. Actuaries appear to be pigeonholed because we are typecast in ways that somehow limit the relevance that we seek. We unfortunately have ourselves to blame in large part because we have not demonstrated enough value or relevance in our current settings. If we are irrelevant in our current industry, why would we be relevant elsewhere? We simply have not changed as quickly as the world around us, and it shows.

I met a man on a golf course who recently went through a divorce. Someone who knew him said to me, "All that he did during his six-year marriage was smoke, drink and play golf. He's a great guy, but he was a lousy husband." Is it possible that we are great actuaries, but lousy business partners? Are we relevant only in our own minds or within our own professional circles?

Relevance is synonymous with **leadership**. If we seek to be more relevant, then we must also seek to lead. It is leadership that leads to enhanced personal and professional success. To understand what a leader might be, perhaps we should first consider the antonym of the leader, which is the "follower."

I remember consulting with a small insurance company in the early 1980s, and the on-site actuary was presumably valuable because he was the only person in the company who could actually do "percentages." Twenty five years ago, his bookcases were lined with technical literature, black notebooks with commutation columns and books such as *Contingencies* and *The Theory of Interest*. The authors of these books were leaders. They knew it all. They spent countless hours proving their theories and demonstrating flawless mathematics. They had a tremendous amount of credibility.

Therefore, those of us who studied and used these books became their followers. To follow means to go behind, go after, chase, track, trail and/or to tag along. A follower is someone who puts something into practice or action, employs or applies ideas. Being a follower is not a bad thing. It's just that following ends where leading begins. The actuary with whom I met in the 1980s was a follower—incidentally, an irrelevant follower.

A leader, on the other hand, is not just a good follower but also a visionary. A leader has worn copies of books such as:

- *Good to Great*
- *The Leader Within*
- *Pour Your Heart Into It*
- *Execution*
- *Profitable Growth is Everyone's Business*, to name a few.

A leader's books do not sit idly on shelves collecting dust; rather, they are given to others so that they can also learn to lead. A leader is a shepherd and servant of his or her flock, and does everything with their interests in mind. A leader does not need to be told that the customer is important, or that people are a company's greatest asset. A leader understands that to leverage their own relevance, he must do so with the consistent development of their people.

Relevance today calls for leadership. According to my same thesaurus, to lead is to guide, show the way, direct, go in front, head or pilot. Actuarial leaders get in front of the curve and stay in front of the crowd. You may ask, "How can I get out front when most of my work is technical in nature and does not attract the attention of a crowd?"

(continued on page 23)



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# Managerially Speaking, Tell Me, Which Shareholder Are We Talking About?

by Marcel Gingras

Over the course of my career, I have had the opportunity to work directly or indirectly with organizations operating under different ownership structures. I have been associated with government-operated agencies, mutual companies, privately held corporations, partnerships and finally publicly traded companies. I was also very involved in the process of implementing the transformation of a mutual company into a stock company.

To me, stock companies have always represented the ultimate form of ownership. They represent the purest form of capitalism with easier and potentially unlimited access to capital, open disclosure, potential for lining up interests of management and shareholders, and ultimate accountability to shareholders.

Unfortunately, I believe that many publicly traded companies fail to realize their full potential due to a lack of clarity in identifying which shareholders they are trying to serve. Is management attempting to serve the best interests of the shareholder who bought five years ago and will likely hold the stock for several years to come? Is it trying to serve the interests of the shareholder who bought yesterday and may sell tomorrow if the price is right? Or, is it trying to represent some shareholder in between these two groups?

If asked the question, many executives might answer that they try to serve the best interests of all these groups. To me, this is a 'nonanswer' as it is nearly impossible to serve the interests of all these shareholders at the same time, especially the shareholders at the extremes, i.e., those who buy and hold and the frequent traders.

## What is the issue?

Essentially, this would be a nonissue if management were able to serve equally well all groups of shareholders. If this were the case, there would be no need to specify which group of shareholders will take priority. However, I don't

believe it is possible to serve all groups of shareholders equally well. In the absence of specific choices being made, most executive groups will feel pressured to satisfy the short-term demands of shareholders, i.e., the demands of shareholders with a shorter time horizon, the more frequent traders. In this process, I believe that loyal long-term horizon investors are likely to be shortchanged in their expectations. They believe they are buying the stock of a company with a long-term horizon while they may be investing in a company that has a short-term horizon, with varying degrees of consideration given to the long term.

## What is the underlying cause?

Simply stated, the cause of all this is quite human. The pressure on management to deliver short-term results is enormous and in my view, it is easier for management to attempt to deliver short-term results based on somewhat unrealistic expectations than it is to explain a complex long-term game plan that may involve peaks and valleys.

There are several reasons why management is under so much pressure to deliver short-term results:

1. Many financial analysts tend to be very focused on quarterly results. Management is not looking forward to explaining underperformance on the quarterly analyst calls. Among the analysts, many of them represent firms whose general focus is on customers who trade as opposed to those who buy and hold. The retail securities market, mutual funds, hedge funds and the short-term performance focus in the pension investment area are all elements contributing to the focus on short-term results. There is nothing wrong with the way analysts do their job; it is only that their role and the customers they represent need to be kept in mind by company management.



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**The pressure on management to deliver short-term results is enormous and in my view, it is easier for management to attempt to deliver short-term results based on somewhat unrealistic expectations than it is to explain a complex long-term game plan that may involve peaks and valleys.**

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**Which Shareholder Are We Talking About? • continued from prior page —**

2. The market has come to expect management to 'smooth out' what is happening in the economy. As an example, in the financial sector, results should be expected to fluctuate depending on the economy, but more importantly, depending on what is happening in the financial markets. Yet, there is some expectation that management will continue to produce steadily increasing results despite the fact that informed shareholders would expect some fluctuation in the results.
3. The media puts a lot of pressure on producing steady results, meaning again that management must try to minimize natural fluctuations. The media tends to jump on the opportunity to portray management in a bad light whenever it 'fails' to produce expected results, hence the temptation to smooth out results. A difficult issue for management is the fact that the public in general may confuse stock performance with the financial stability of the organization which may lead to a negative impact on the company brand and sales.
4. The board of directors will also put pressure on management to perform. This is their role. There is nothing wrong with the board putting some heat on management as long as it understands what it is asking for and what it is really getting. Good short-term results do not always lead to good long term results. A strong board is able to balance the two.
5. The average tenure of CEOs has been shortening for a variety reasons. No point taking a 20-year horizon if the average stay is going to be around five years or sometimes shorter based on figures quoted by the media.
6. Finally, management is remunerated both on short-term and long-term performance, which seems to be fine until one looks a little bit more closely. On the short-term side, annual bonuses tend to be determined on 12-month performance with the financial component typically being most important. Lack of performance will affect everyone on a bonus

scheme including middle management. Low bonuses become a morale issue, a retention issue and a recruiting issue. On the long-term side, options have been the favored instrument for rewarding management. However, options are not quite a perfect match as far as aligning the interests of management with those of long-term horizon shareholders. This topic has been well documented lately. As a result, several boards have been taking a proactive approach as far as modifying long-term incentive plans. Restricted share units, performance share units and deferred share units are all likely to be part of the new arrangements and they are likely to be accompanied by performance measures and restrictions on the ability of executives to exercise these incentives.

**Impact on company operations**

In general, operations have a difficult time adapting to a management style that focuses on short-term results. In some industries, due to the cyclical nature of the business, operations are structured in a way that they react quickly to a changing economy. However, there are several companies operating through very long cycles. Again, using the financial sector as an example, typically companies have very long-term relationships with clients, they transact loans that are repayable over long periods, they make long-term investments and they may sell products creating liabilities to be met several decades later.

Generally, short-term focus on results is reflected through one or several of the following actions:

1. Staff reduction or hiring freeze even though this may be at the expense of client service.
2. Freeze on training programs even though it may be at the expense of longer term productivity.
3. Postponement of technology investments even though these may be justified for the long-term success of the enterprise.



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Which Shareholder Are We Talking About? • continued from prior page

The long-term impact of these measures is real, but might not be reflected in the company's performance for quite some time. However, you can expect one or more of the following to happen:

1. Confusion among employees who can't understand whether management has a plan and whether they believe in it and stick to it.
2. Disappointment among clients who may fail to see the long-term commitment of their supplier toward their business.
3. Short-term savings tend to have a ripple effect. The idea is that these budget cuts should be temporary and they will be made up in the following period. However, this tends not to happen. For example, let's assume that an organization has an information technology (IT) budget of \$10 million and decides to reduce it by 10 percent for the current year, i.e. to a \$9 million. The following year, going back to the same level as that budgeted for the current year will result in an increase of \$1 million or 11.1 percent. If the organization wishes to catch up on the work postponed, then it is looking at \$11 million spending as compared to \$9 million or 22.2 percent increase. Most organizations will balk at this type of increase, even though it may have been just to get back on the original plan.
4. Operational divisions have difficulty to plan, as budget cuts may not be related to the financial health of specific divisions or units.

Support divisions such as human resources become an easy target for quick savings and typically they never get to deliver on their promises or meet expectations from operating divisions and they quickly acquire a reputation for being unreliable partners.

**So, what is the solution?**

This is a tough question. It is much easier to criticize the situation than it is to be creative and come up with solutions. Here are a few ideas:

1. Companies spend a lot of time producing mission and vision statements which sometimes turn out to be meaningless to a good portion of their employees, either because employees don't understand what is meant or because management acts in a way that does not support the statements. I suggest that time should be invested to increase clarity on the nature of the shareholders who will be best served by investing in company XYZ. A commitment to take action for the sole benefit of long-term shareholders, for example, would help to focus on meeting this objective and provide real substance to the mission and vision statements.
2. Better alignment of bonuses and long-term incentives with the interests of shareholders who have been identified as the target shareholder group.
3. To the extent possible, better communication with the financial market with respect to the shareholder group being best served by an investment in this company and reinforcement of actions being taken to be true to the commitment, even though it might mean more volatility in short-term results. Some companies have followed this approach in the past with some success. □

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*'Managerially Speaking' is produced by Marcel Gingras, president of Marcel Gingras Consulting Services Inc.*

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**It is much easier to criticize the situation than it is to be creative and come up with solutions.**

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# Professional and Career Development: Part of the Larger Global Picture

by Eli Amdur

*Career coach and adjunct professor of executive communication and leadership, Eli Amdur addresses the need for developing high-level soft skills: communication skills—including speaking, presenting, writing and listening—interpersonal skills, leadership, team building, innovativeness and inductive thinking. Your long-term focus should be on building higher, broader skills that are transferable in a changing business world. Leadership will be assumed by those individuals and companies who understand this concept.*

**H**enry Luce, legendary founder of *Time* magazine, said, “Business, more than any other endeavor, is a continual dealing with the future, a continual calculation, an instinctive exercise in foresight.”

With great foresight, Luce issued that proclamation in 1960, and it remains as pertinent and useful today—almost a half century later—as ever. But even the visionary Luce probably would have watched in wonder at the way business changes today—at the nature, scope, speed and rate of change, all of which have a profound impact not only on business strategy and decisions, but also on the way individuals will have to adapt to these changes.

Unlike days not too far past, each one of us must think of ourselves and our careers as being inextricably tied to the sweeping, seismic global changes that have occurred—and continue to occur—at warp speed at all levels of every occupation in every industry in all places business is and will be done.

## Today’s paradigms are tomorrow’s prisons

The changes we have already seen are not the ones that challenge us: the staggering advances in technology, genomics, space, telecommunications, computing, the Internet; the globalization and “24/7-ization” of business, outsourcing, and migrations of entire industries; demo-

graphic changes and the ease with which they now take place, multiculturalism, the aging of some populations while others rejuvenate. No, those are no longer the new challenges; the challenges will be how we will handle the changes we know and the changes that will follow. In short, the skills we already have, no longer suffice; today’s paradigms are tomorrow’s prisons.

## Citizens of the world

Dr. David Steele, the forward-thinking dean of Fairleigh Dickinson University’s Silberman College of Business offered some straightforward advice in a recent round of addresses to executive MBA and other graduate candidates. “My simple message to you is that we must become citizens of the world in order to excel in this ultra-competitive marketplace,” he proposed.

“I believe that, more than ever, advanced education is essential,” he continued. “More importantly, we must go through a major rethinking of the concept of knowledge, a change in emphasis from ‘hard’ to ‘soft’ knowledge.”

These are the words not of a career-long ivory tower academic, but of a business leader who has had corporate responsibility for 25 countries, most recently as president of Chevron Latin America, and—in the process—has lived and worked in eight countries. With that perspective, Steele is leading FDU’s business school in emphasizing what “will differentiate us as individuals and as a nation.” He’s talking about communication skills, knowledge of self, multicultural perspective, core values, ethics, team building, innovativeness and creativity. In essence, he says, the focus is on developing “outstanding interpersonal skills.”



*Career Coach Eli Amdur conducts workshops and one-on-one coaching in career planning, career skills development, resumes, interviewing, and communication, and is a weekly newspaper columnist. He is adjunct professor of executive communication and leadership in the MBA program at Fairleigh Dickinson University.*

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Professional and Career Development • continued from prior page

### A growing premium on communication skills

Top executives and corporate recruiters agree unanimously that their success depends directly on finding and keeping employees who can do much more than just perform the technical aspects of their jobs, and at the top of virtually everyone's list is communication skills.

Executives concur; they can get all the highly skilled computer programmers, sales managers, operations experts or any other specifically trained professionals they want. But what keeps them up at night is the glaring inability to communicate effectively at virtually every level of the organization. Fittingly, they place a growing premium on communication skills, not the least of which is the ability to listen.

A 2002 *Wall Street Journal*/Harris Interactive survey showed that the attribute considered most important by the most corporate recruiters is communication and interpersonal skills, the number one choice of an overwhelming 90 percent, with the ability to work well within a team coming in a close second at 87 percent. Even the traditional strengths like strategic thinking and work experience—65 percent and 32 percent respectively—have been overshadowed in this new light. Startling!

Just as interesting is the list of business schools that received the highest ratings from those same corporate recruiters on these attributes—not necessarily all the schools you'd expect: schools like University of Maryland, SUNY Buffalo, Brigham Young, Instituto de Empresa and Michigan State have joined Yale and Dartmouth on this list. Those who see a need and act upon it are the ones who excel and lead. Schools, individuals: it's the same.

In my practice as a Career Coach, in teaching Executive Communication and Leadership, an MBA course at FDU, and through the continuing research and writing I do regarding career development, one thing has become abundantly clear: David Steele is right.

I have coached hundreds of clients, have delivered workshops and seminars to thousands, and write a weekly employment-related column for major newspapers. My clients fall into five broad categories: technical—IT, finance, en-

gineering, actuarial, health sciences; business development—sales, marketing, international trade; development—human resources, training, project management; communications—public relations, journalism; and humanities and education—teaching, social services, non-profit. I have coached a corporate CEO and other C-level officers, VPs, education leaders, senior actuaries, grant writers, project managers, other coaches, you name it.

From all of this, one conclusion is unassailable: contrary to widely held belief, there is no general field or occupation that boasts superiority in these vital "soft skills." It is the most glaring deficiency within any and every organization, openly acknowledged by those who run those organizations. And I see it in my classes in which I teach professionals at all stages in their careers: entry level to C-level. That's why FDU has not only created an entire course in communication and leadership, they have made it mandatory; you don't get an MBA without it.

### "I have to grow"

What's the message here, then? It's "what got you to the dance will not necessarily keep the music playing." Clay Peters, a senior actuarial consultant for a large Midwestern benefits consulting firm, recently told me, "I can't be just an actuary anymore. I have to be a global businessman, a team leader, a problem solver and an innovator, and I have to learn how to communicate across language and cultural boundaries. I have to grow."

So, Clay intends to pursue an MBA in management with a concentration in communication to complement his BS in economics and mathematics. Further, he is looking at courses and workshops in leadership and cross-cultural issues.

His decision is parallel with professionals in every field. For example, MDs are getting MBAs because they have to lead clinical research facilities; they're no longer just doctors, but team leaders. Nurses no longer stand pat with their BSNs, but go on to earn MSNs and MBAs. Virtually every advanced degree program I have investigated—be it MBA, MAT,

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**... the attribute considered most important by the most corporate recruiters is communication and interpersonal skills ...**

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## Professional and Career Development • continued from prior page

MAS, MPA or others—have leadership and communication components with global and cross-cultural underpinnings.

Not only are these skills emphasized, students in these programs function in smaller teams, whether they change classes from course to course or go through the entire program as a cohort, and they are expected to understand the workings of a team. To that end, I have designed, delivered and facilitated various seminars, workshops and exercises for these programs that focus on team building, synergistic decision making, group dynamics and inductive thinking. Significant time is devoted to this skill set.

### Companies are flatter, more decentralized and more team-oriented

This brings us to another big point. In case you haven't been watching lately, your workplace has changed dramatically and irrevocably.

Organizational structures are very different from what they were just a decade ago; responsibility, authority and leadership are shared.

The organization chart no longer looks like one huge pyramid; it's flatter, more decentralized and team-oriented. Along with this, innovation and initiative are expected from many, not just a select few. Communication is more varied—one-on-one, group, large audiences—and more variegated due to the ability to connect with so many people in so many ways and at any time.

These changes are daunting challenges, and we meet these challenges in new ways. Albert Einstein prodded, "The significant problems we face cannot be solved at the same level of thinking we were at when we created them." Clearly, this points to the need to develop a wide array of skills through which leadership can be shared, solutions developed and opportunities seized.

Aggregating several studies and surveys, these skills can be categorized as follows: communication, human relations and interpersonal, information and management, design and planning, research and investigative skills, critical and inductive thinking, administrative, value setting, and leadership.

These, then, become the high-level skills that are transferable. Universally, experts in career

planning agree that transferable soft skills are no longer in the "nice-to-have" column, but are firmly in the "gotta-have" column. Greg Hammill, director of intern, co-op and other student programs in Fairleigh Dickinson University's Silberman College of Business points out, "Employers assume a candidate has the basic technical job skills. Beyond that, what employers really want to see is someone with strong soft skills, those specific skills that spell success in any position, those skills which are transferable."

In a recent interview with me, Beverly Hamilton-Chandler, director of career services at Princeton University, discussed the necessity of building a broad-based skill set. "We encourage our students to study what they love, but to develop a wide range of skills," she said. "We ask them, 'What are the knowledge areas you have, where else can you use those skills, how can you make them work for you in another setting, and how can you make that match?'"

Professional and career progress depends on developing an integrated package of skills, both hard and soft. It will dictate what you do, the contributions you make to your organization's and your own growth and future, and how and whom you will manage and lead.

For anyone at any level of any organization, the employee's soft skills add value to the organization, and, in turn, increase the employee's value. As FDU's Steele says, "Given a choice between qualified people, the person chosen every time will be the one with the outstanding interpersonal skills. There is no question about that."

His message, he had said, is simple. There is no question about that, neither.

"Change is the law of life," said John F. Kennedy, "and those who look only to the past or present are certain to miss the future." It is a very large paradigm shift. It is the future, but it is here now. □

*In subsequent issues, Eli Amdur will examine more closely the implications and applications of the content of this article.*

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**In case you haven't been watching lately, your workplace has changed dramatically and irrevocably.**

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# Achieving Balance

by Tricia Matson

**I**t was interesting to be asked to write an article about work-life balance. A few years ago I might have been asked to write about how to convince your boss you won't burn out, or how to check voice mail on vacation without irritating your spouse, but I doubt anyone would have come to me for advice on work/life balance. I worked in consulting then and still do. I am at a different firm, but the nature of my work has not changed very much. The big difference is my one-year-old son Owen, who has done a lot to put things in perspective.

Today's environment makes it very easy to become a workaholic. Companies are continuously pressured to operate efficiently, which frequently translates into doing more with fewer people. As a result, employees find themselves with an increased workload that can only be managed by working nights and weekends. In some instances, performance measurement is heavily weighted toward things that are objective and measurable, such as hours worked. The annual review forms I have seen usually include sections on work/life balance, but I don't think I have ever heard of someone getting a high rating because they were good at it.

Advancements in technology make it easier to work outside the office, but also translate into checking e-mail and answering cell phones late at night, on weekends or during vacations. Peer pressure is another significant factor—I can't help but feel guilty leaving work when my colleagues are still there (even if I come in early or work from home at night).

There are a few things that I have found particularly helpful in trying to keep life in balance:

## 1. Don't set your expectations too high

If your goal is to have perfect work/life balance, you are setting yourself up for failure. There are some people that think I do a good job of balancing my work life and my personal life (which is why I am writing this article), but there are definitely times I don't feel that way at all. The key is to hope to do a pretty good job of it, not miss too many deadlines, not miss seeing my family on too many days and try to find a little time for myself. The days I send a report out the door before 5 p.m. and make it to day care with a little extra time, I feel like I am succeeding. The days I drop my son off at day care even though he is sick because I have an important meeting, or the days I stay home with him and miss an important meeting, I don't feel like I am doing too well at all. But I try not to beat myself up about it. None of the things that go wrong are earth-shattering.

## 2. Work someplace good

I am lucky to work at a firm with many programs in place to help employees maintain a reasonable work/life balance. It doesn't mean that people work less hard; we all have the flexibility to work hard at a time and place that works for us. There is significant flexibility around time spent in the office, so if you need to come in late, leave early or work from home, it is generally not a problem as long as the work gets done. It is also fairly easy to get approval for a formal flexible work arrangement. I work four days a week, which has made it much easier to meet all my commitments. I am also lucky that I chose the actuarial field—my husband is a surgeon, which makes it pretty difficult for him to work from home!



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**If your goal is to have perfect work/life balance, you are setting yourself up for failure.**

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**Achieving Balance • continued from prior page**

Flexible work arrangements and telecommuting are becoming more and more prevalent. They are great benefits employers can offer to attract and retain top talent. If you are not currently using these benefits, and are looking for ways to improve your work/life balance, it may be a good place to start. If your employer doesn't offer such alternatives, maybe you can help get something started.

**3. Learn to say no**

The single most important thing I have done to improve my work/life balance is force myself to let others handle things. It seems like an obvious way to work less, but for me it was (and still is) a significant mental challenge. In my prior job (and pre-Owen), I rarely turned down an additional opportunity (and frequently volunteered before being asked). I hated the thought of missing out on being part of a big new project, an important sales pitch or even an internal meeting. I loved to be in the thick of things.

Now, when a new opportunity arises and I am either considering volunteering or being asked to participate, I consider the impact it will have on my personal satisfaction overall, rather than just job satisfaction. Obviously there are many situations in which I am needed for a project, in which case I make it work. But there are also many occasions for which I am one of many potential additions to a team. It can be hard to pass up the opportunity to learn something new, work with someone new or travel somewhere new. But if it means I'm going to spend weeks missing my family, or feeling guilty, or having little time for myself, it's probably not right for me.

**4. Exercise**

This may seem counterintuitive. Obviously exercise takes time, and therefore takes time away from work and family. But the benefits

outweigh the drawbacks. Exercise is good for your long-term health and gives you more energy in the short term. It is a great stress-reliever, and for me, is one of the few times I can just think. I think the biggest benefit is overall improved mental health, which is an important part of staying in balance.

**5. Write everything down, preferably in one place**

There is no way I could keep track of everything I need to get done, both at work and at home, if I didn't carefully maintain my calendar and to-do list. If you are a technophile, it is even better to use an electronic version that will beep at you with reminders of when something is due.

Most people have calendars and to-do lists at work, but it can be a big help to keep one at home as well. After several years of forgetting dentist appointments and rushing out to buy birthday presents at the last minute, I have gotten in the habit including personal events in my work calendar as well. As critical as having one is updating it every time you finish something or add something new, and looking at it at least once a day. This is all probably obvious, but it is amazing how easy it is to let this slide.

It is also helpful keep in mind that the reason people have to work at maintaining balance is because of all the great things they have going on—family, friends, job. The need to achieve work/life balance isn't a chore, it's a privilege. □

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**The single most important thing I have done to improve my work/life balance is force myself to let others handle things.**

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# Hit The Ground Running In Your New Position

by John West Hadley, FSA

*(This article is part two of a three-part series. Part one was published in the April 2004 issue of The Stepping Stone, and covered practical tips for hitting a home run in interviews. Part three will focus on navigating the roadblocks to achieving your career potential.)*

**O**K, you've successfully navigated the interview process and secured the job offer or promotion you sought. Now you can put aside all those interview skills and forget about selling your achievements for a few years, and just relax and simply enjoy the fruits of your labor, right?

Definitely not! It takes most people a year or more to fully integrate into a new job or company, and to become fully effective in that new environment. But you want to do it much sooner, and really knock the socks off your new employer or boss! To do that requires that you use many of the skills you mastered during the search process, but to apply them in a different way.

For example, most people assume that when they accept a job offer, the interview process is over. However, during a job interview, a prospective employer is trying to both assess and impress you so he or she can fill the opening with the best person. Sharing fully the potential pitfalls of the new job and the company culture might work against that. Now that you're part of the team, everyone will be much more willing, in some cases even anxious, to share the negatives more fully. It's critical that you embark on your own series of mini-interviews to uncover and avoid the potholes that have tripped up past employees so that you can truly excel in your new role. This is what I call "getting the full story."

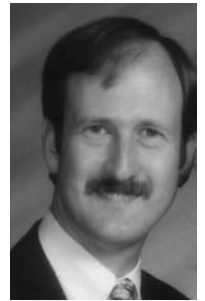
In "getting the full story," a key area to explore is how your predecessor operated. Ask

your boss why that person left, what things he or she was particularly good at, and areas that could have been improved upon. Get your boss brainstorming on anything that he or she would change about how the job is done, priorities, emphasis, etc. And make sure to explore exactly how the boss likes the relationship to work—for example, weekly status reports to brief him or her on everything in detail, or just occasional meetings to cover the essentials. Your new manager may never think to tell you some of the little things that he liked about how your predecessor operated, so getting clear on what works and what doesn't work for the boss is critical to making that very strong initial impression.

Of course, there is much more to do, but this will start the process of cementing your relationship with your new boss. Setting clear expectations in both directions is critical; being on a different page than your manager is the most effective way to sabotage a new relationship, and it can be very difficult to recover from that!

Don't forget to also interview your peers and especially those you will be supporting in other departments. Make sure you find out exactly what they felt worked well and what could be improved on in the way your predecessor operated and how he supported them. Explore their needs, the relationship they had with your predecessor and your unit, and what they would like to see from the "new guy."

Your goal in the first few months of your new position should be to maximize your connections with everyone: your boss, your boss's superiors, your peers, your subordinates, etc. You will be making a long series of first impressions, and you want to make the most of them. It's much easier to get a relationship off



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Hit the Ground Running in Your New Position • continued from prior page

on the right foot than to try to do damage control on what went wrong!

Finally, you want to start to position yourself for promotion from day one. How can that make sense? After all, didn't I just start my new job? Isn't it way too early to start worrying about my next move?

No! Earning a promotion isn't something that happens in a day. It requires a proven track record, so that what you do starting on the first day in a new job will impact your future career progress and how quickly you

achieve it. And remember, if you don't have a goal, any path will get you there!

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MANAGEMENT—*People Management*

In Search of Relevance • continued from page 13

If you are the most brilliant technical actuary and cannot explain the results to your audience in a language that they understand, then you have failed. The assignment is incomplete and your work is irrelevant if you have no audience.

When you have finished a piece of your work and communicate the results, do not ever consider it a "reporting job"; rather, it is always a leadership opportunity.

In fact, everything that you do is a leadership opportunity. Leaders and those seeking relevance have many things in common, including:

- Passion and energy
- Constant and continual learning
- Courage to step out and do something new, and to add unique value
- Development and practice of soft skills—social interaction, management, communication and presentation skills in particular
- Ability to inspire those around you
- Discipline to execute flawlessly
- A higher personal standard for yourself than one that could be set by others

How important is relevance, leadership and personal development to you? Are your skill sets consistent with needs of the past, or are your skills relevant for tomorrow?

The Management & Personal Development Section of the Society of Actuaries is here to help you, and our objectives are to:

- Provide tools to facilitate personal career development
- Provide results-oriented skills and knowledge for current and developing managers
- Build a bridge from technical knowledge to decision making and its implementation
- Develop educational opportunities and provide resources for all actuaries who strive to become more effective managing members within their business organizations
- Offer opportunities to network, enhance management practices and experience professional feedback.

Get involved and learn to lead—RELEVANCE will be certain to follow! □

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**If you are the most brilliant technical actuary and cannot explain the results to your audience in a language that they understand, then you have failed.**

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# What Did He Say?

by Tim Pratt

To communicate effectively, it is important to understand your audience, to think like them, to speak to them so that they can understand you. These days, many of us are communicating with people from different countries. You would expect this to be a challenge when dealing with people who speak English as a second language. However, American-Australian communications, for example, can sometimes be just as challenging. Take it from me, an Aussie who moved to London and later (now) to New York. Let's start with an example. See if you can figure out why this is humorous (I explain toward the end of the article):

Q. Why did the nose cross the road?

A. Because it was off its face.

Four years ago when I moved from Sydney to London, I expected England to be different from Australia. However, I found huge similarities—sports, religion, government, financial system, social interaction (ok, maybe not that), just to mention a few. Admittedly, the weather was different, but everyone already knew that.

As time rolled on, I started to think that everything was exactly like home, only to come to a crashing halt when things were not. You expect this when you move to an obviously foreign country—say, Italy or Spain—where the language, attitude, environment, etc., is totally different. You expect things to be different and so you don't get thrown for a loop when they are.

Last year, when I moved to the United States, I expected things to be similar to Australia. Australia imports so much American television and other types of culture that I expected to understand Americans better. Oh boy was I wrong!

## Spelling

I am starting to believe that Thomas Jefferson, after polishing off the last draft of the Declaration of Independence, must have thought to himself, "Okay, this piece of paper is a good start, but we really have to make ourselves different from the English. I know—let's change the language. I never really liked the letter 'u' so let's cut it from "colour," "harbour," etc. I think the letter 'z' is under-utilised, so we'll start spelling it 'utilized.' The English will get confused if we call the ground floor the first floor. We can change 'car boot' to 'car trunk' ..." The list is seemingly endless.

## Common Phrases

Almost everyday I find another word that is in every day common usage back home that I just cannot use here. I am getting very used to identifying the blank look on someone's face when I use a word that they do not understand. For example, here is a very short list of commonly-used Australian words with the American equivalent in (parentheses):

- Jumper (pull-over)—and a jumper is not a tee-shirt, we call a tee-shirt a tee-shirt
- Rug (afghan or throw blanket)
- Chook (chicken)
- Crook (ill)
- Flat out (as fast as possible)
- Hire a car (rent a car)

When I'm at the supermarket, I have to stop myself from asking for a barbeque chook (chicken). I had to make the same change in England—they did not understand what a chook was either. And no one understands when I use the word "stuffed" as in "I really stuffed that one up."

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## What Did He Say? • continued from prior page

**Slang Expressions**

When I moved to the United States, I thought I could start using my stock of slang expressions again. I had trained myself to avoid using them when speaking with the Germans or French, because English was their second language. However, I quickly learned that Australian slang does not translate well here either. Another short list:

- A dog's breakfast (something that is really messed up)
- Don't come the raw prawn (don't try to fool me)
- Do your nana (lose your temper)
- Fair crack of the whip (give someone a chance or an opportunity to do something)

The Australian language is also a function of our linguistic laziness—we always shorten things:

- Brekkie (breakfast)
- Possie (position)
- Aussie (Australian)
- Journo (Journalist)

**Pronunciation**

I even have to change how I pronounce words, and it is not just the accent. I know Australians that have just given up and started to speak with an American roll to their "R"s. I had to drop the "o" from mayonnaise and pronounce it "may-naise." I was discussing this with another Aussie last week who developed a special American accent just because it got too hard talking to people that could not understand her. I have memorized the NATO phonetic alphabet just to overcome the issue of spelling my name (people hear 'I' when I say 'A' and I don't like being called Mr. Pritt).

**Lost in Translation**

Finally, what is the reaction from home to my newly found knowledge? I recently sent an e-mail to my family and typed "Mom" instead of the correct Australian spelling "Mum." I got two replies (and still counting) that didn't discuss the content of my e-mail. They just told me to escape while there was still a chance.

**The Upside**

So, what are the good parts? Well, for one, my vocabulary is increasing, especially when I need a synonym. I am getting lots of daily practice at describing everyday (well, *to me* it is everyday) items in non-technical language. This helps me identify with my audience and talk to them in a language that they understand rather than teaching y'all my language (and no, we do not use "y'all"—I'm just trying to talk to you in your language).

**Getting the Joke**

And this brings me back to my Q&A. It is my favorite joke and is a clever play on words. The only problem is that it just doesn't work here in the United States. In Australia, "Off your face" is a euphemism for drunk. So the nose was crossing the road because it was literally off its face (i.e., off by itself) while also staggering across the road drunk.

**Talking the Talk**

So, now that you have an appreciation of the difficulty from the *Aussie possie*, next time you encounter one of my *mates* from Australia (we never say "down under"), please try not to *flat out* stare so blankly when you hear one of these expressions. You may even want to select a choice phrase or slang expression from my list above and work it into your everyday dialogue. But if you do try, be sure not to turn it into a *dog's breakfast*. Nothing gets as *stuffed* as an American trying to say "g'day" —well, except maybe my attempt at saying "coffee" like a New Yorker.

For those interested in learning more about your friendly Australian native, go to <http://www.uta.fi/fast/us1/reflaust-eng.html>. □

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...escape while  
there is still  
a chance.

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## Follow Your Fear

by Bob Morand

Those words hold a lot of meaning to me. They were impressed upon me and the rest of the performers of an advanced improv class during a rehearsal at the ImprovOlympic theater in Chicago in 1991. The author of those words, the late Del Close, one of the original members of Chicago's famed Second City improvisational theater group in the early 1960s, was someone who could strike fear in the most accomplished of actors and improvisers. For four decades, Del was an actor, teacher, improv guru, one-time "Saturday Night Live" director and, more importantly, a philosopher of sorts, who shared his comedy and life knowledge, not to mention a good amount of drugs, with the likes of John Belushi and other soon-to-be-famous comedic actors in the mid-'70s.

"Chris, what the hell are you doing?!" Del barked from the back of the theater during rehearsal one evening, as a pre-SNL Chris Farley was flopping around on stage, ignoring the objective of Del's improv exercise. Farley's physical humor was hilarious, even if he wasn't addressing the point of the scenic exercise. But when Del spoke, especially in a raised baritone, the class would go eerily silent.

"Get the hell off the stage!" Del snapped. Farley listened to Del, and would skulk off stage to the back of the room, his reddish sheepdog hair covering his eyes. Del's was probably one of the few constructive voices Chris listened to. The two had a close relationship; Chris respected Del's expertise, mentorship and candor, while Del marveled at how Chris could fearlessly throw himself (often times, literally) into a scene and make comedy magic, even if Chris tried Del's patience during rehearsals.

What Del had little patience for was actors/improvisers who avoided making the most of their talent and craft, and particularly those who froze on stage. "Why the (expletive)," he would ask, "are you in my class if you're

afraid to be on stage? Follow your fear, man! Or get the hell out of my class!"

The words—actually the concept—of "follow your fear" stay with me today, even if it's been a few years since I've performed live improv. The premise of follow your fear is simple: confront and attack the things in life that are most uncomfortable for you and you will learn to master them; or, at the very least, you'll learn to live with your fears in relative comfort.

For many performers, specifically actors who have little improv experience, the thought of getting on stage without a memorized script is terrifying. It's just you and another actor in the spotlight, and the only things you have to work with are a suggestion from the audience and each other. Some actors melt and swear off improvisation for life; others thrive and rise to the challenge of creating something potentially rich out of practically nothing.

Many business professionals, including actuaries, are faced with somewhat similar propositions.

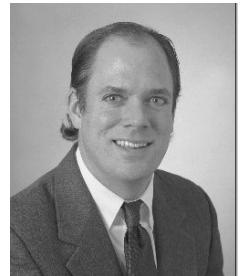
They're called presentations.

The mere thought of getting up in front of others and making a presentation can be mortifying. Panic hits and embeds itself well before the actual presentation. Sweat never knew so many pores; hearts never beat so fast; mouths never ran so dry.

So, say you're one of those who'd rather floss with barbed wire than give a presentation. What do you do?

Follow your fear, of course.

Easier said than done? Perhaps. But think about it...you're an intelligent human being who is working with, and among, some of the brightest individuals in the world. You regard yourself as a quantitative and technical expert. In fact, you've made the unstated declaration that you are really, really smart, simply by the profession you've chosen and within which you've succeeded.



*Bob Morand, an actuarial recruiter with D.W. Simpson & Company and a veteran improv actor in Chicago—a graduate of the famed "Second City" Training Center and member of the Annoyance Theatre, both popular improvisational theater venues in Chicago—reveals one of the secrets of success afforded to those who "follow their fear."*

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**Follow Your Fear • continued from prior page**

Therefore, why can't you give yourself the same permission to be a stellar presenter? You can, by following your fear. Below you'll find recommended avenues for pulling together the best presentation you can.

*A successful presentation is part preparation and part performance.*

### The Preparation

First, know your subject matter thoroughly. This will give you the confidence to react positively to questions during and/or following the presentation. There's nothing more excruciating than watching an individual stumble for information while giving a presentation. Preparation will keep you one step ahead of your audience, which is why you're presenting to them in the first place.

Additionally, know your audience. To whom are you presenting and what questions might they raise? Be current on industry/market issues that might affect the subject matter you're discussing.

How many people will be attending? Know the room. Is it a small conference room in which people will be close to you? Or, will it be a hotel, sessions-style room that could hold up to 100 people? This will be important as to how you engage your audience throughout the presentation.

Dress appropriately for the occasion. If you have outdated suits or frumpy business casual wear, invest in new clothes. The fact that you're making a presentation means that others have confidence in you to perform at a certain level. This is an opportunity to build on that and, believe it or not, sloppy or outdated clothing diminishes that confidence.

Make sure all technical aspects of the presentation are in order. In addition, have a contingent plan in case the beautiful PowerPoint presentation you've prepared fails, due to unforeseen technical difficulties. One option would be to provide all attendees with a hard copy of the presentation, while you move about the room sharing various sections of the information with various sections of the room. Individuals who can successfully improvise (ahh...it all comes back to improvisation, doesn't it?) in the face of adversity truly impress those who witness such a recovery.

If you are presenting with other individuals, each person's role should be agreed upon (and preferably rehearsed) before the presentation. Should one of your fellow panelists stumble during the presentation, be prepared to help him or her out.

Get a good night's sleep. Wake the morning of the presentation with the mindset that your performance that day is an opportunity to enhance your stock as an actuary and, increasingly important, as a business professional in the eyes of key decision makers.

### The Presentation

You've done all your preparation and now it's time to present. Get to the room early to guard against any last-minute glitches, e.g., another group has booked the conference room or the Society has moved the session elsewhere. The more in control you are of the event, the more confidence people automatically will have in you, particularly if you have to "save" a situation.

Focus. This is where the fear should disappear. If you focus on what you need to accomplish, i.e., preparation and performance, then you should have little time for the wasted energy of dread and nervousness. You absolutely must have, before this point, given yourself permission to be a good presenter. Approach the presentation as another problem-solving opportunity. Actuaries love solving problems, right? Put the presentation in this context and approach the "problem" with gusto.

Additionally, your focus should be on process, rather than the final product. If two improv actors went on stage hoping to have a successful scene rather than focusing on building a successful scene, more often than not they will fail. The same applies to business presentations: If you worry about being good or being liked by the audience rather than work-

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**If you focus on what you need to accomplish, i.e., preparation and performance, then you should have little time for the wasted energy of dread and nervousness.**

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Follow Your Fear • continued from prior page

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ing to give a polished presentation, you've been selfish to the detriment of yourself and the audience. Remember, the presentation isn't all about you; it's about the relationship you are able to foster with your audience through the interesting delivery of interesting information. Commitment to the process will ensure successful product.

Be yourself. Are you someone who doesn't normally crack jokes? Then don't try to kick off your presentation with "Have you heard the one about the priest, the rabbi and the duck?" Some people are naturally funny and can get away with that sort of thing. However, play to your strong suit.

Your charge should be to ease the audience into the presentation, including their acceptance of you as presenter, especially if the subject matter is overwhelmingly technical. You may want to consider a brief fact or anecdote about the facility, the city, or even something that happened to you that morning that, perhaps, you can tie into the presentation. It should be presented naturally and genuinely, but not out of the context of your personality.

If you are presenting to a smaller group of, say, five or 10 people in a conference room, try to learn and remember each person's name and role, if they are not known to you. Recalling such information in the Q&A period will be impressive to them. If you are presenting to a larger audience, that is, of course, not necessary. However, during the Q&A period, ask attendees for their names and companies when they present a question or comment.

For a smaller group presentation, make eye contact with all the individuals in the room. For larger groups, make eye contact with the various sections of the room. Don't turn your back on the audience and hide your face into a screen of information. Don't forget: this is an opportunity for you to shine by integrating yourself, industry information and an audience in a 30- to 90-minute presentation.

Finally, you ask, what can one do to get better at giving presentations? The following are some

suggestions that aren't a huge investment of time or money and might be fun in the process.

- **Take an acting or improv class.** They're mostly held in group settings and the instructors and fellow classmates are usually super-supportive. Also, consider taking an on-camera class. This provides a thorough look at how you come across; the instructor and you will review videotape of your performance, which will provide guidance for improvement.
- **Join a book club.** This will allow you to share ideas in a group setting.
- **Arrange for practice presentations with some of your peers at work.** Assign each other non-work related topics that might be light or fun for you to present. Be open and supportive with one another when providing feedback.
- **Attend speeches and take notes on what you liked or didn't like about the speaker.** Also, consider getting involved in school or community groups in which opportunities exist for one to express opinions in a group setting.
- **Self reflect.** Don't buy into the excuse that you're simply "not good at presentations." Commit to working on presentations as you would commit to solving other problems that interest you.
- **Follow your fear.** Life is too short to impose artificial limits on your personal potential and career. □

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**Remember, the presentation isn't all about you; it's about the relationship you are able to foster with your audience through the interesting delivery of interesting information.**

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# Reinventing the Actuarial Image

by Sudha Shenoy

Perhaps you have heard this joke before: “An actuary is a person who passes as an expert on the basis of a prolific ability to produce an infinite variety of incomprehensible figures calculated with micrometric precision . . . for the sole purpose of confusing an already hopelessly befuddled group of persons who never read the statistics anyway!”<sup>1</sup> This joke exaggerates, perhaps, but it points out the common perception that actuaries, though highly intelligent and ethical, lack effective communication skills. According to a recent survey conducted by the SOA, even actuaries and their employers agree that “business communication” is the skill that requires the most improvement.

In the past few years, communication through cell phones, pagers, e-mails and voice mails has increased to unprecedented levels. Brief e-mails have replaced memos. A flatter organizational structure, a focus on teamwork, technological innovation (which has replaced a lot of number crunching) and the speed at which business decisions are made have all transformed the workplace. More so today than ever before, the ability to communicate effectively in the workplace is a necessary and highly valuable skill.

As actuaries, we tend to concentrate on details while analyzing, identifying variables and constructing models, but we often fail to spend sufficient time planning our presentations and expanding upon the business implications of our analyses. It is easy to fail to “see the forest for the trees,” so we need to make a conscious effort to always keep the big picture in mind and be clear, focused and logical in our communications with each other and with our customers. At every communication opportunity,

we should ask ourselves the following questions: “What is the key objective here? What is it that we are trying to accomplish?”

Most actuarial modeling provides answers to business questions such as, “What is the impact of this particular factor on medical trends?” Actuarial tasks can be phrased as questions, and the results of analysis provide the answers. How can we provide good responses to different types of questions?

According to Marian K. Woodall’s book<sup>2</sup>, responding to questions, regardless of their level of difficulty, occurs through these basic steps:

1. Pay attention and listen carefully to the question
2. Pause to organize
3. Repeat the question
4. Give the main conclusion and indicate, if appropriate, that there are additional conclusions that you would be happy to expound upon if the questioner so desires
5. STOP when you have made your point and the other party has grasped it.

## 1. Pay attention and listen carefully

Paying attention and listening carefully to questions allows you to focus on both the questioner’s verbal and nonverbal messages (i.e., “body language”). When you pay close attention, you may realize things that you might otherwise have failed to notice. For example, your customer may



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## Reinventing the Actuarial Image • continued from prior page

have asked you to analyze the wrong problem or there are additional concerns of which the customer is unaware. Careful listening will help you to reinforce your points, assess your questioner's subject knowledge and present your solution in the most effective manner.

## 2. Pause to Organize

To pause and organize is extremely important. Regardless of the difficulty of the question, pausing gives you time to think through your answer and appear more poised, confident and in control.

## 3. Repeat the question

Repeating the question creates time for you to think, rephrase the question (if needed), focus on a certain aspect of the question if appropriate and present the question and your answer together as a unit. Repeating the question also focuses attention on the questioner and assures him or her that you have listened, heard and correctly interpreted the question.

## 4. Give the main conclusion

Give the main analysis and conclusion, and if you have supporting information, indicate that you will be happy to provide additional detail upon request. There is no need to inundate the questioner with information that is peripheral and which he or she may not want.

## 5. Stop when you have made your point

This is perhaps the most overlooked item for actuaries. Stop when you have made your point. There is no need to go over the information again unless your customer indicates a

lack of understanding. If this is the case, rephrase what you have said to assist the customer in coming to a clear understanding of the information.

It is vital for the future of the profession that we develop our skills and improve our image. In doing so, we will better equip ourselves to meet the changing needs of the workplace, share actively in the business decision-making process, and fully utilize the business potential of actuarial training. It's time we reinvented the image of the actuary to something that more truly reflects our abilities.

For those of you interested in a hands-on workshop on this subject, the Actuary of the Future Section and the Management and Personal Development Section are jointly offering a communications workshop at the October 2004 SOA Annual Meeting in New York.

## Notes

1. *Actuarial Jokes (!): Joke 12*. Submitted by Kathleen C Miller. 22 April 2004. <<http://users.aol.com/fcas/jokes.html#Joke 11>>.
2. Marian K. Woodall, *Thinking on Your Feet* (Lake Oswego: Professional Business Communications, 1996). □



# Business Writing

by Dan Shinnick

## Background

In the actuarial profession we need to work on building our skills as business people. An area where we can improve is business writing. Actuaries generally are very bright people who have not been taught how to write in a business setting. This article lays out the format and style that is effective in communicating with management.

## Conclusion

Effective business writing can be accomplished by following a simple format and keeping your audience in mind. There are six steps to effective business writing:

1. Know your audience,
2. Tell them what time it is,
3. Tell them what this means,
4. Tell them what's next,
5. Make it pretty,
6. Put detail at the end.

## Know your audience

As you write the document focus on what's important to your audience (not what's important to you). Think about the questions they are likely to ask, and answer them in the document. Remember that you are trying to help them understand. Speak in their language and address their concerns.

## Tell them what time it is

Do not tell them how you built the watch. Many actuaries struggle with this, because they know so much and they've worked so hard—and want to tell people about it. Start with your conclusions or recommendations. You are not writing a novel, you're not trying to build up to a climax and a surprise ending. So, start with the end. Draw conclusions and make recommendations (don't leave it up to them). Address their key points. Keep it short; you should be able to make your point in less than two pages.

## What does this mean

Explain your conclusions and recommendations. Address the implications of what you are concluding or recommending. Supply supporting arguments

and facts (but not in detail). For some recommendations you may want to include a section on "solutions thoughtfully rejected."

## Tell them what's next

Finish your document with a section on next steps. Do you want them to do something? Then ask for it! Let them know what you're going to do next. Be specific as to action steps and deadlines.

## Make it pretty

Use a legible, professional font. Arial or Times New Roman are acceptable fonts. Also, make sure the font is big enough; I suggest using a 12-point font. Draw attention to the sections, use bolding and underlining. Balance your use of white space; don't make a page too crowded or too open. If you need to make an analytical point, use graphics instead of a table of numbers, but don't overuse graphics. Too many graphs is just as bad as too many numbers. Use a simple format, similar to this one.

## Put detail at the end

It is very important that you have done the detail work to support your conclusions and recommendations. It is not important that you always show it. However, some audiences will want to see the supporting detail. Put this detail in appendices, and make sure that you show how they support the conclusions and recommendations you have made.

## Next steps

Reflect on this method of business writing.

- Is it something that could help you be more effective?
- Change it to fit your style and organization, if you need to. □



Chairperson

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# PowerPoint Pipeline

by Frank Grossman

If you are utterly confident in your communications skills—that you are indeed a superior communicator along with the majority of actuaries—then please turn to the next article in this newsletter. However, should you be willing to consider the possibility that your effectiveness as a communicator is at risk when using Microsoft PowerPoint, then fasten your seat belt and read on.

## 1. PowerPoint Nation

PowerPoint 1.0 for Macintosh computers went on sale in April 1987, and today there are 400 million users worldwide creating trillions of presentations each year. Resistance clearly has been futile: PowerPoint is now taught to children in elementary schools, and it has converts in the highest corridors of power. Secretary of State Colin Powell used PowerPoint for his presentation on Iraq and the search for weapons of mass destruction at the United Nations Security Council in February 2003.

And yet, despite the runaway success of PowerPoint, Ian Parker's article "Absolute PowerPoint" published in *The New Yorker* in May 2001 included the following passage:

PowerPoint also has a private, interior influence. It edits ideas. It is, almost surreptitiously, a business manual as well as a business suit, with an opinion—an oddly pedantic, prescriptive opinion—about the way we should think. It helps you make a case: about how to organize information, how much information to organize, how to look at the world.

## 2. PowerPoint as a Management Cliché

Embracing management clichés allows one to accomplish tasks without resorting to the time- and effort-consuming process of engaging in

original thought. Employing PowerPoint in this manner has a couple of practical consequences. Very often individual slides are deemed to be "good enough" and subsequently recycled into new presentations. There is also the unfortunate habit of allowing correspondents to decipher a PowerPoint presentation attached to an e-mail, rather than composing a brief synopsis of the presentation in prose for their information.

More generally, the unquestioned mass acceptance and adoption of clichés also has two more insidious effects according to Marshall McLuhan. First, clichés are internalized as part of our psychological and intellectual lexicon, forming a type of codified shorthand. And second, clichés dull our observation skills and leave us in a highly suggestible state when it comes to critical thinking. McLuhan described the anesthetic effect of management clichés as "demobilizing consciousness." Management clichés thereby lull managers and executives into a sense of complacency and blind acceptance of their content.

## 3. The Mosaic Method

The name Marshall McLuhan was largely unknown outside of Canada until his book *Understanding Media* was published in 1964. Marshall McLuhan's focus was on the impact of technology on culture and society and by extension the business world. He popularized the idea that we are living in an "ever shrinking, ever more interdependent world"—the Global Village. McLuhan also described the influence of television on the dissemination of information:

At the speed of light, there are no connections in the news. Everything is apposed (sic), or juxtaposed minus connections.

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## PowerPoint Pipeline • continued from prior page

This Mosaic Method of presentation tends to fragment information, reflecting the format of a newspaper layout which juxtaposes ads, quotations and commentary instead of providing a secure narrative thread to support a theory or a point of view.

#### 4. PowerPoint as a Communications Medium

PowerPoint presentations are comprised of a sequential thread of slides that partition information into arbitrary compartments subject to bullet-point hierarchies. Given their fractured continuity, the presentations tend to be inherently anti-narrative.

When confronted by a PowerPoint presentation's seamless packaging, audience members struggle to identify an appropriate juncture to interject a comment or pose a question. (Is one even permitted to interrupt?). Ian Parker describes a PowerPoint presentation scenario that pre-empts dialogue and short-circuits an exchange of knowledge:

In the glow of a PowerPoint show, the world is condensed, simplified and smoothed over ... PowerPoint is strangely adept at disguising the fragile foundations of a proposal, the emptiness of a business plan; usually, the audience is respectfully still ... and, with the visual distraction of a dancing pie chart, a speaker can quickly move past the laughable flaw in his argument. If anyone notices, it's too late—the narrative presses on.

What seems to be apparent is that PowerPoint "lifts the floor" of public speaking inasmuch as a lecture is less likely to be poor if the speaker is using the program. But there is a concomitant reduction in the ceiling as well. Though PowerPoint is very good at delivering simple content, what is often missing is the provider of the content, particularly one whose thoughts cannot be arranged in the predefined format of a clichéd template.

In several respects, a PowerPoint presentation resembles a communications pipeline. Content must be configured prior to transmission. The Medium has its own conventions that necessarily constrain its users. Content is delivered sequential-

ly, and its rate of transmission is generally beyond the control of the audience. The content's flow is unidirectional. Content is subject to deconfiguration (interpretation) by the audience on delivery. And, most significantly, content can be lost *en route*.

#### 5. PowerPoint and the Columbia Accident Investigation Board

Prior to the fatal conclusion of the space shuttle *Columbia's* mission in January 2003, NASA engineers used PowerPoint presentations to describe their investigation into whether the impact of several pieces of foam that struck the left wing 81 seconds after liftoff had caused serious damage to the craft. William Langewiesche, writing in *The Atlantic Monthly*, described the Debris Assessment Team's effort to communicate a nuanced situation:

... first, that if the tile had been damaged it had probably endured well enough to allow the *Columbia* to come home; and second, that for lack of information they had needed to make assumptions to reach that conclusion, and that troubling unknowns therefore limited the meaning of the results. The later message seems to have been lost.

The optimistic conclusion that the *Columbia* was not in danger was undercut by data in the presentation, namely that a piece of debris that hit the shuttle was 640 times larger (later confirmed to be in fact 400 times larger) than anything previously tested by NASA. This crucial piece of information was located at the bottom of the key PowerPoint slide.

Edward Tufte, a Yale University professor and expert in information presentation, reviewed three of the NASA PowerPoint slide shows that were part of an oral presentation made to NASA managers and subsequently circulated as e-mail attachments. Regarding the pivotal slide, Tufte noted in March 2003 that:

In the glow of a PowerPoint show, the world is condensed, simplified, and smoothed over ...



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## PowerPoint Pipeline • continued from prior page

... the title is confusing. “Review of Test Data Indicates Conservatism” refers not to the predicted tile damage, *but to the choice of test models used to predict the damage*. ... a more appropriate headline would be “Review of Test Data Indicates Irrelevance of Two Models.”

(Tufte’s emphasis)

This key slide also adopted an elaborate bullet outline structure with six levels of hierarchy that effectively fragmented its vital content into small, arbitrary and misleading phrases. The low-text resolution of the PowerPoint slide prompted the use of compressed phrases, and in combination with large fonts resulted in three “typographic orphans, lonely words dangling on a separate line.”

Tufte noted that units of measurement were not consistently employed and also targeted the sloppy use of language on the key slide:

The vaguely quantitative words “significant” and “significantly” are used five times on this slide, with de facto meanings ranging from “detectable in largely irrelevant calibration case study” to “an amount of damage so that everyone dies” to “a difference of 640-fold.” None of these five usages appears to refer to the technical meaning of “statistical significance.”

The cavalier treatment of the term “conservatism” (a subject of perhaps some little interest to actuaries) also caught Tufte’s eye:

Claims of analytic “conservatism” should be viewed with skepticism. Such claims are sometimes a rhetorical tactic that substitutes verbal fudge factors for quantitative assessments.

The independent Columbia Accident Investigation Board devoted an entire page—entitled “Engineering by Viewgraphs”—of its final report published in August 2003 to Edward Tufte’s analysis of the key PowerPoint

slide. Much of Tufte’s critique was reproduced verbatim in the report. The Board ultimately went beyond Edward Tufte’s analysis of the key slide with the following remarks:

As information gets passed up an organization hierarchy, from people who do analysis to mid-level managers to high-level leadership, key explanations and supporting information is filtered out. In this context, it is easy to understand how a senior manager might read this PowerPoint slide and not realize that it addresses a life-threatening situation.

At many points during its investigation, the Board was surprised to receive similar presentation slides from NASA officials in place of technical reports. The Board views the endemic use of PowerPoint briefing slides instead of technical papers as an illustration of the problematic methods of technical communication at NASA.

The Columbia Accident Investigation Board report suggested that PowerPoint’s distinctive cognitive style reinforced the hierarchical filtering and biases of the NASA bureaucracy.

## 6. PowerPoint’s Cognitive Style

Edward Tufte’s case study of the Columbia accident PowerPoint presentations subsequently became the kernel of a 28-page booklet entitled *The Cognitive Style of PowerPoint* published in May 2003. This document presented additional analysis of PowerPoint’s idiosyncratic style.

The PowerPoint slides that accompany a talk generally have a significantly lower rate of information transmission than the talk itself. This poverty of content is due to the slide projection of the text which requires large fonts so the audience can read the words. Conventional PowerPoint slide design style also contributes to the low data resolution inasmuch as only a minority of the slide’s area is available to show unique material, while the balance is consumed by bullets, frames and branding. Tufte observes that:

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**The PowerPoint slides that accompany a talk generally have a significantly lower rate of information transmission than the talk itself.**

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## PowerPoint Pipeline • continued from prior page

Impoverished space leads to over-generalizations, imprecise statements, slogans, lightweight evidence, abrupt and thinly argued claims. ... Many true statements are too long to fit on a PP slide, but this does not mean we should abbreviate the truth to make the words fit. It means we should find a better way to make presentations.

The immediate consequences of low-resolution PowerPoint slides is that the written language of the slides is often clipped and therefore subject to misinterpretation, and—inevitably—more slides are required.

PowerPoint embraces a medieval preoccupation with hierarchical distinctions by adopting a bullet point structure that conveys each bullet's status in as many as five different ways: by the order in sequence; size of indentation; style of bullet; size of bullet; and size of accompanying text. The complexity of the bullet hierarchies, and their intensely nested structure, at times resembles computer code. According to an article on business planning published in the *Harvard Business Review*, though bullet lists are a well-known business convention that seeks to "reduce the complex to the short and clear," they also encourage managers to be intellectually lazy in three specific and inter-related ways. First, bullet lists tend to be too generic and do not provide relevant context. Second, given that a list can communicate only one of sequence, priority or membership at one time, a bullet list risks leaving critical relationships unspecified. Third, key assumptions about how the business works are too often presumed to be understood by the audience and therefore remain unstated.

Edward Tufte notes as well that the advantages of parallel presentation are not facilitated by the sequential PowerPoint approach:

When information is stacked in time, it is difficult to understand context and evaluate relationships. Visual reasoning usually works more effectively when the relevant information is shown adjacent in space within our eyespan. This is especially the case for statistical data, where the fundamental analytical act is to make comparisons.

PowerPoint tempts its users to replace serious content and analysis with "PowerPointPhluff" defined by Tufte as "chartjunk, over-produced layouts, cheerleader logotypes and branding and corny clip art." One might add PowerPoint's sundry animation effects, sentence and slide transition effects and sound effects to the list as well. Their combined effect is to stimulate audience interest in an otherwise impoverished presentation.

The fans of PowerPoint are usually presenters and rarely audience members, because PowerPoint is entirely presenter-oriented, and not content- or audience-oriented. Yet convenience for presenters can be costly to both content and the audience due to PowerPoint's cognitive style characteristics. In addition to supporting verbal presentations, PowerPoint slides are frequently printed to produce paper reports, attached to e-mails and posted on the internet. And when viewed on paper or on one's computer screen, these slides often have increased cognitive style costs because they are presumed to be self-documenting. Yet how effectively can they be interpreted in isolation, after the live presentation, by someone who attended the presentation? By a knowledgeable expert who was not in attendance? Anyone who has marched through a stack of printed PowerPoint slides may well appreciate Tufte's observation that PowerPoint hard-copies are "physically thick and intellectually thin."

Despite the several risks to effective communication latent in the usage of PowerPoint, Edward Tufte confirms PowerPoint's status as a management cliché:

We've drifted into this presentation mode without realizing the cost to the content and the audience in the process. It's widely used because it's simple and fits into a bureaucratic mode. And, also simply because it's widely used. It has momentum.



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PowerPoint Pipeline • continued from prior page

### 7. The McLuhan Equation

Undoubtedly one of the most misunderstood and nonetheless the most famous of Marshall McLuhan's sayings is "The Medium is the Message." The key to understanding this equation is recognizing that the Message does not equal the content being communicated. Rather, each Medium has its own intrinsic influence on the scale, pace or pattern of society—independent of the content that it mediates—and that is its unique Message. Examining content alone is not sufficient to gauge the nature, power and potential of the Medium to transform human affairs.

For example, television has the potential to affect significant behavioral change in powerful and influential monolithic entities by its ability to disseminate even more powerful ideas. This is aside from the specific content being communicated. So potent is this Medium's ability to influence opinion that political candidates are routinely evaluated on their telegenic quality, and military timetables are synchronized to dovetail with the six o'clock news at home. Even diplomacy between nations' governments, and between corporations, is skillfully choreographed for the benefit of insatiable all-news networks.

Interestingly, McLuhan also observed that "We shape our tools and thereafter our tools shape us." And this phrase neatly describes the capacity of a given Medium to continually influence our interactions and activities.

### 8. PowerPoint's Message?

When PowerPoint is adopted as one's Medium, what is the associated Message? This is aside from the fact that highly paid people are spending hours formatting slides because it's more fun to do than concentrating on the content of their presentations. While this is an obvious productivity issue, the latent risk is that more effort is being spent on packaging the content than thoughtfully considering the message conveyed by the content. This predilection is consistent with a business culture confident in the sufficiency of the PowerPoint per se, a climate in which the Medium has supplanted both the Message and the content.

There are deeper concerns with the selection of PowerPoint as well. How significantly does the user modify his message so that it may be encoded into PowerPoint due to the constraints of the Medium? How does the delivery of content using PowerPoint influence the audience's appreciation of the information due to the cognitive style of PowerPoint? Ultimately, to what extent are one's ideas subject to the risk of transformation and miscommunication when using PowerPoint?

Clive Thompson wrote trenchantly in the pages of *The New York Times Magazine* about the triumph of PowerPoint in our era of pitch and spin:

Perhaps PowerPoint is uniquely suited to our modern age of obfuscation—where manipulating facts is as important as presenting them clearly. If you have nothing to say, maybe you need just the right tool to help you not say it.

In this regard, there is every reason to believe what works in elementary school will work equally well on the international stage.

### 9. The Way Forward

The mere preparation of PowerPoint slides and their delivery to an audience may not guarantee the effective delivery of your message. Is slide-ware technology getting in the way of understanding business? Jimmy Guterman, writing in *Business 2.0*, made the following observation:

The problem with PowerPoint is that instead of being a visual tool used to illustrate certain elements in a presentation, the slides have become the presentation.

The Message conveyed by employing the PowerPoint Medium is an inherent cognitive style and manner of presentation that places the fidelity of the content being communicated at risk.

So what can you do to mitigate the risk of using PowerPoint? Focusing on the quality, relevance and integrity of your content is very im-

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**The Message conveyed by employing the PowerPoint Medium is an inherent cognitive style and manner of presentation that places the fidelity of the content being communicated at risk.**

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## PowerPoint Pipeline • continued from prior page

portant, recognizing that designer formats will not overcome this potential weakness. Preparing a technical document (in sentence-paragraph form) to support your slides can help by providing context and a more thorough exposition of your ideas. (Including clarifying notes, or perhaps a commentary, for each slide using the PowerPoint notes feature is a step in this direction.) Disclosure of the data underlying your charts promotes transparency and can help reinforce the integrity of your presentation.

One should take the time to exercise great care when composing headings and sub-headings, and when assembling bullet lists. Working to establish and maintain a narrative thread will improve your audience's comprehension, though this can be difficult when adopting the clipped phraseology of slideware presentations. The avoidance of distracting "chartjunk" or "phluff" can only help keep your presentation on topic. Presenting multiple slides—several images simultaneously within your audience's field of vision—can facilitate parallel comparisons. And be certain to never (ever) recite an entire PowerPoint slide's text verbatim for your audience.

Edward Tufte's preferred solution is to "simply use PowerPoint merely as a slide projector rather than an information tool." Utilizing printed materials that effectively integrate words, numbers, data graphics and images, can dramatically elevate the rate of information transfer during your presentation. And high-resolution handouts enable your audience to actively engage by contextualizing, comparing and recasting your evidence, thereby avoiding the tendency of too many data-thin presentations—the cultivation of a passive, ignorant audience.

However you proceed to work with PowerPoint, the essential objective is to ensure that the Message of your Medium does not interfere with the message that you initially set out to convey.

## Suggested Readings

- ♦ *McLuhan for Managers: New Tools for New Thinking*, by Mark Federman and Derrick de Kerckhove (2003 Viking Canada, Toronto, ON)
- ♦ *The Cognitive Style of PowerPoint*, by Edward Tufte (2003 Graphics Press LLC, Cheshire, CT)
- ♦ "Absolute Powerpoint: Can a software package edit our thoughts?" by Ian Parker (*The New Yorker*, May 28, 2001)
- ♦ "PowerPoint Makes You Dumb" by Clive Thompson (*The New York Times Magazine*, December 14, 2003)
- ♦ Final report of the Columbia Accident Investigation Board (Volume 1, August 2003), see <http://www.caib.us/news/report/volume1/default.html>
- ♦ "Columbia's Last Flight: The Inside Story of the Investigation—and the Catastrophe it Laid Bare" by William Langewiesche (*The Atlantic Monthly*, November 2003)
- ♦ "Ten Questions for Edward Tufte: The information-design guru offers a few choice words about PowerPoint" by Dan Nadel (*I.D. Magazine*, November 2003)
- ♦ "Unplug That Projector! Edward Tufte says PowerPoint has ruined business presentations" by Jimmy Guterman (*Business 2.0*, May 15, 2003)
- ♦ "The Level of Discourse Continues to Slide" by John Schwartz (*The New York Times*, September 2003)
- ♦ "Strategic Stories: How 3M is Rewriting Business Planning" by Gordon Shaw, Robert Brown and Philip Bromiley (*Harvard Business Review*, May-June 1998) □

# Build Rapport for Greater Influence

by David C. Miller

**D**o you wish you had more impact and influence with those you work with? Do you feel like your words and ideas often fall on “deaf ears?” They may be listening politely, but you have the feeling that in their heads they’re checking out on you!

Maybe you’re not having the impact you want because you’re not taking the time to build rapport with this person. Building rapport is a critical tool of influence, whether it’s with a prospect, client, boss, employee, friend, spouse or child.

Rapport means “to have an unconscious understanding with someone.” It creates a relationship of responsiveness. Isn’t it true that people are more responsive to those who are like them or people who represent who they want to be?

Rapport consists of three things:

1. **Affinity**—a genuine concern for the other person. The old saying is true: “People don’t care how much you know until they know how much you care.” It’s vital that a person knows that you have their best interests in mind.
2. **Shared reality**—you understand where they are coming from...you have things in common.
3. **Communication**—for affinity and shared reality to have impact it must be communicated in some way.

So how do you effectively establish and build rapport with the people you want to impact? Here are six ways. Begin to incorporate them into your “influencing conversations” and see what a difference they make.

## 1. Enter their world

The most effective way to enter someone’s world is to ask effective questions about their needs and wants. Don’t assume or try to read their mind. Ask questions and REALLY listen. When having a meeting with someone about an issue, find out what results they want to achieve and what challenges they feel are getting in the way. Find out what achieving those results will accomplish for them. Listening in itself is a great rapport-builder because it is so rare today when someone really listens to someone else.

## 2. Give them incredible value

If you’re a business developer, this can be a gift, a referral or great service before they become a client. If you work for someone else, learn what your supervisor’s biggest challenge is this year and find a way to go above and beyond your defined roles and responsibilities to help him or her achieve it. Instantly you’ll have rapport by inducing reciprocation.

## 3. Match their tonality

Mirroring a person’s voice tonality can be a subtle yet effective way to build rapport. If the person you want to influence tends to talk very slowly and you’re talking at the speed of light, chances are you’re breaking some of the connection between you. Try to match tempo, volume and pitch for stronger rapport.

## 4. Match their words

People’s word choices reveal their learning modalities. Some people are primarily visual. They think in pictures, talk quickly and use hand gestures. Communicate



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**Build Rapport for Greater Influence • continued from prior page**

with visual people in terms of how things look. For example, you could ask questions like, “What can you see happening in this relationship?”

Auditory people learn best by listening. They are typically interested in gaining information that includes details and facts and tend to speak in a steady tempo. You want to communicate with these people in terms of facts and how things sound. For example, after you make a recommendation or proposal you may ask, “How does that sound to you?”

People that are primarily kinesthetic tend to talk more slowly and quietly. They tend to operate more from their gut. Communicate with these people in terms of how things feel. For example, you may ask: “What’s your sense about this?” or “What would help you feel comfortable with moving forward?”

### 5. Match their feelings

People’s word choices often contain feelings that have a very specific meaning for them. You may feel that it’s more effective to para-

phrase someone’s words in conversation, but this can actually break rapport. When a person says they’re frustrated by the way things are going, it’s more effective to ask them, “What about that frustrates you the most?” rather than “What about that is stressful to you?” This is because the word “frustrated” contains a specific emotional picture for them, whereas being “stressed out” probably means something altogether different.

### 6. Match their body language

This method of building rapport is very powerful because body language represents 55 percent of communication (tonality and words make up the balance). Here you match and mirror things like posture, gestures, facial expressions, eye contact, breathing and proximity. As powerful as this approach is, it is also very risky unless you’re really good at it. Until you feel proficient with matching body language, stick with matching tones, words and feelings—those skills will take you a long way in building rapport. □



## Coming in September!

The SOA e-mail newsletter will debut this fall, bringing you news you can use!

Get the latest details about:

- SOA activities & initiatives
- Educational opportunities
- Exam information
- National and global issues for actuaries
- Business news
- And much, much more!

Stay tuned ... more details to come this summer!



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