



The Stepping Stone

October 2004
Issue No. 16

Newsletter of the
Management and Personal
Development Section

Published in
Schaumburg, Ill.
by the Society of Actuaries



contents

From the Editor
by Sim Segal2

Chairperson's Corner
by Daniel L. Shinnick3

MANAGEMENT

**Your Biggest Business Risk?
It May Be Your Next Hire**
by Jennifer L. Gillespie8

**Managerially Speaking: Why
Is the Machine Leaking?**
by Marcel Gingras9

PERSONAL DEVELOPMENT

Achieve Your Career Potential!
by John West Hadley12

Actuary Morphs Into Coach
by Gerald A. Fryer14

Interviewing Techniques
by Pauline Reimer16

Perfect Pitch Works Like Magic
by Jim Gray19

To Better Communication
by Vincent G. Mace, Jr.21

**Interpersonal Skills and People
Management: Actually, There's More**
by Eli Amdur23

Published quarterly by the Management
& Personal Development Section
of the Society of Actuaries

475 N. Martingale Road, Suite 600
Schaumburg, IL 60173
phone: 847.706.3500
fax: 847.706.3599

World Wide Web: www.soa.org

This newsletter is free to section members.
A subscription is \$20.00 for nonmembers.

Sim Segal, FSA, MAAA
The Stepping Stone Editor
Deloitte Consulting, LLP
25 Broadway, 15th Floor
New York, NY 10004
phone: 212.618.4604
fax: 646.348.1604
e-mail: sisegal@deloitte.com

**2004 Management and Personal
Development Section Council**
Daniel L. Shinnick, Chairperson
Jennifer L. Gillespie, Vice-Chairperson
Larry J. Jackson, Treasurer
David S. Duncan, Secretary
Vincent G. Mace, Jr., Council Member
David C. Miller, Council Member
K.H. Kelly Rendek, Council Member
Sim Segal, Council Member
Alan J. Sheptin, Council Member

Lois Chinnock, Sections Manager
lchinnock@soa.org

Clay Baznik, Director of Publications
cbaznik@soa.org

Mary Pienkowski, Graphic Designer
mpienkowski@soa.org

Facts and opinions contained in these pages
are the responsibility of the persons who
express them and should not be attributed
to the Society of Actuaries, its committees,
the Management and Personal Development
Section or the employers of the authors.
Errors in fact, if brought to our attention,
will be promptly corrected.

Copyright© 2004, Society of Actuaries.
All rights reserved.
Printed in the United States of America.

From the Editor

Protecting the Future Image of the Actuary

by Sim Segal



Editor

Sim Segal, FSA, MAAA, is senior manager at Deloitte Consulting in New York, N.Y.

sisegal@deloitte.com

A Proud Century

For most of the past century, the environment was favorable for actuaries:

- Technical skills were seen as critical for executives. This was due to existing management theory and a lack of computing technology.
- Actuaries faced minimal competition. The Glass-Steagall Act of 1933 maintained a separation between insurers, banks and investment firms.

As a result of the favorable environment, actuaries thrived. Actuaries often held C-level positions (e.g., CFO, CEO). Companies put actuaries with superior technical skills on a fast-track of promotions to the senior level. Management automatically promoted actuaries upon their achieving the ASA and FSA designations.

The Current Reality

The environment for actuaries has changed.

Technical skills. Technical skills are no longer considered critical for executives. Today, our employers want business savvy skills. In an SOA survey, employers ranked business acumen and business communications at the top of their list of desired skills (see Chart 1). A recent *Harvard Business Review* special edition on leadership focused almost exclusively on business savvy skills. Articles discussed topics such as emotional quotient (EQ), listening skills and the psychological profile of a leader (see Chart 2). Further, according to Eli Amdur, career coach, weekly newspaper columnist and adjunct professor of executive communication and leadership, MBA program, Fairleigh Dickinson University:

"Executives concur . . . 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."

In an SOA survey, our employers indicate that actuaries lack the skills most needed by executives. As Chart 3 shows, we get highest marks for quantitative skills and honesty. However, we get lowest marks for the skills seen as most important for executive positions—business leadership, thought leadership and "financial skills" (knowledge of financial markets and risk management skills). A side-by-side SOA survey of actuaries and our employers also reveal some disturbing facts. We need the most improvement on a range of business savvy skills (see Chart 4). However, the survey revealed that we are also not proactive, so motivating ourselves to change and improve our business savvy skills is a challenge. Lastly, we do not seem to agree with our employers, in that we still want to work on improving our ethics and quantitative skills—our comfort zone.

(continued on page 4)

Through the Looking Glass

by Daniel L. Shinnick

This summer, I celebrated 20 years as an actuary. Being a good actuary, I now have enough data points in the past to allow me to predict the future.

What was it like 20 years ago?

Travel back with me to 1984 ... yes, I used to have a lot more hair.

There were many insurance companies to choose to work for. One of the reasons I chose the company I did was because I got to share a computer with only three other people. About 25 percent of large insurance company CEOs were actuaries. Traditional life insurance was king with the new kid on the block—"universal life"—beginning the revolution. Every major employer seemed to have defined benefit plans, only the little guys had defined contribution plans. Interest rates were very high; I remember a "discussion" with a marketing officer who wanted to have a minimum guarantee of 6 percent for our fixed annuities, "because earned rates will never fall below 8 percent." Luckily, the actuaries won that "discussion." Many companies offered health and disability insurance as side lines.

Life was good if you were an actuary (voted the #1 career shortly after I started working)—high pay, low stress, opportunities for advancement and interesting work.

What has changed?

The impact of technology cannot be overstated. Work once only actuaries could do, can now be done by anyone with a \$50 calculator. We can now run thousands of scenarios in minutes; we can price the options in our products to the 12th decimal place. We design complex products because we can. We can send e-mails to the person sitting next to us so we don't have to talk to them. We can protect our companies from risk because we can identify it. We can help our companies become more competitive and profitable because we can understand our profit drivers. Customer-driven products are now a reality because systems can handle them. The way we use technology determines whether its impact has been good or bad.

The pace of change has accelerated beyond our wildest dreams/nightmares. Changes in the competitive landscape happened overnight. We must quickly make decisions without perfect information. Comfort with ambiguity is a major competency for successful business people. In my opinion, this is the biggest change for actuaries. We've been taught our whole life that there is a correct answer, and if you do enough analysis, you can find it. We no longer have that luxury—we must be able to make decisions with less than perfect data.

For most of us, the primary product(s) our company sells has changed drastically over the last 20 years. With regulatory changes, technology improvements and the aging of America, our companies have expanded into investment products, banking and advice. Distribution and manufacturing of products has been separated at many companies. The sources of profitability have changed drastically over the last 20 years. Our business is much more volatile. The skills I developed in college and taking actuarial exams (yes they were much harder then) are much less relevant. But the ability to learn and to apply analytical skill is still very valuable.

We are seeing more competition from non-insurers. Globalization is a fact of life. The industry is shrinking. All three of these factors create a tendency that actuaries are less valuable. We're no longer automatically seen as the expert trained specifically to solve our industry's problems—because our industry is now a subset of the broader financial services industry. As individuals, we need to be able to demonstrate that we add value and can solve our companies' problems.

What hasn't changed?

The world has changed a lot, but we have not been left behind. There is still a need for analytical skills and the ability to translate from technical knowledge to business impact. Actuaries still have a role in protecting their companies from risk, helping them find new ways to be profitable and competitive and making sound business decisions.



Chairperson

Daniel L. Shinnick, FSA, MAAA, is vice president at Thrivent Financial for Lutherans in Appleton, Wis.

dan.shinnick@thrivent.com

We've been taught our whole life that there is a right answer, and if you do enough analysis, you can find it. We no longer have that luxury—we must be able to make decisions with less than perfect data.

(continued on page 26)

Competition. Actuaries are now facing more competition. The Gramm-Leach-Bliley Act of 1999 has opened the door to competition from bankers and Wall Street executives. Also, with the emergence of enterprise-wide risk management (ERM) as a significant trend, a flood of competitors are vying for, and winning, the chief risk officer (CRO) roles. In an SOA survey, actuaries indicate they are experiencing more competition now (see Chart 5). That same survey reveals that our top four competitors are MBAs, accountants, financial engineers and risk analysts (see Chart 6). Further, in the May 2004 issue of *The Actuary*, Narayan Shankar made an alarming observation about actuaries missing opportunities to become CROs:

“Actuaries have centuries of practice in risk management, and we describe ourselves as professionals who ‘model and manage risk.’ However, the new risk management professionals, with no affiliation whatsoever to the actuarial profession, are quickly establishing themselves as the risk management profession.”

As a result of this new environment, actuaries have lost industry dominance. There are fewer actuaries in C-level positions. Highly technical actuaries are no longer fast-tracked to the top; this is now reserved for those that demonstrate

an ability to communicate, e.g., in presentations to the CFO or CEO. Automatic promotions at ASA and FSA have become a thing of the past. Actuaries are also finding fewer and narrower opportunities.

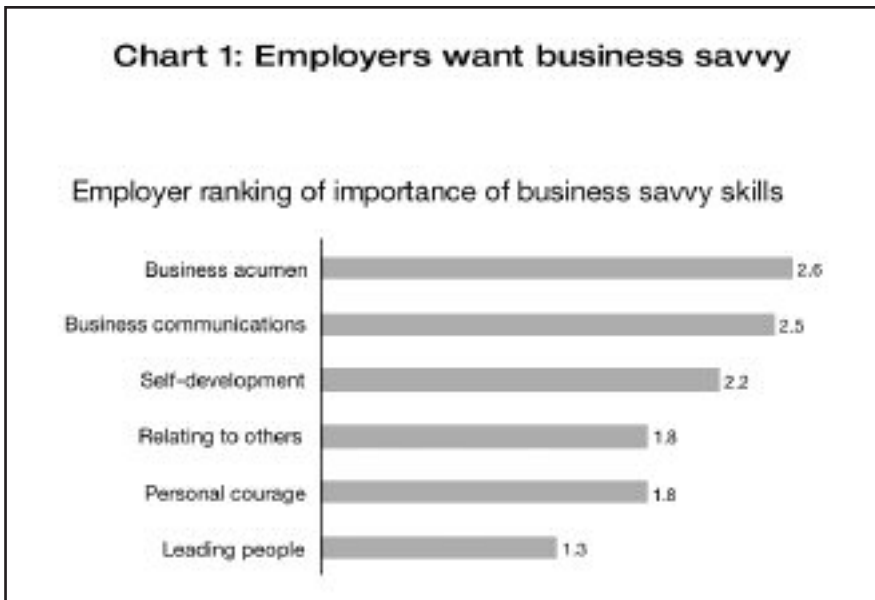
Keeping the Future Bright

So, how can we improve our image? How can we reverse the trend and re-insert ourselves into the C-level? How can we expand our opportunities?

SOA actions. These issues are among the SOA’s top priorities. There are three major efforts underway:

1. **Image-enhancing program:** The SOA is launching a complete re-branding of the actuarial image. The first step is a CRO publicity campaign.
2. **Skills development:** The SOA is taking action to improve our business savvy skills by making changes to the syllabus and examining other modes of education.
3. **Expanding opportunities:** The SOA is identifying opportunities for actuaries in “broader financial services”—asset management, energy, transportation, etc.—as well as identifying additional skills and/or credentials needed.

Highly technical actuaries are no longer fast-tracked to the top; this is now reserved for those that demonstrate an ability to communicate.



Source: 2002 SOA Survey

Actuarial foundation (AF) actions. The AF has conducted focus groups to identify how we can improve our communication skills. These focus groups revealed that our customers are saying that we should:

- Use face-to-face communications more frequently.
- Resist the temptation to send a spreadsheet in response to a question.
- Explain models simply, but capture their essence (our customers know that we're smart and appreciate that what we do is complex, and we do not need to constantly prove this by discussing all the details).
- Take formal communication courses (our customers have taken these courses; they can tell that we have not done so and this makes them uncomfortable).
- Learn nonverbal communication skills.

Resist the temptation to send a spreadsheet in response to a question.

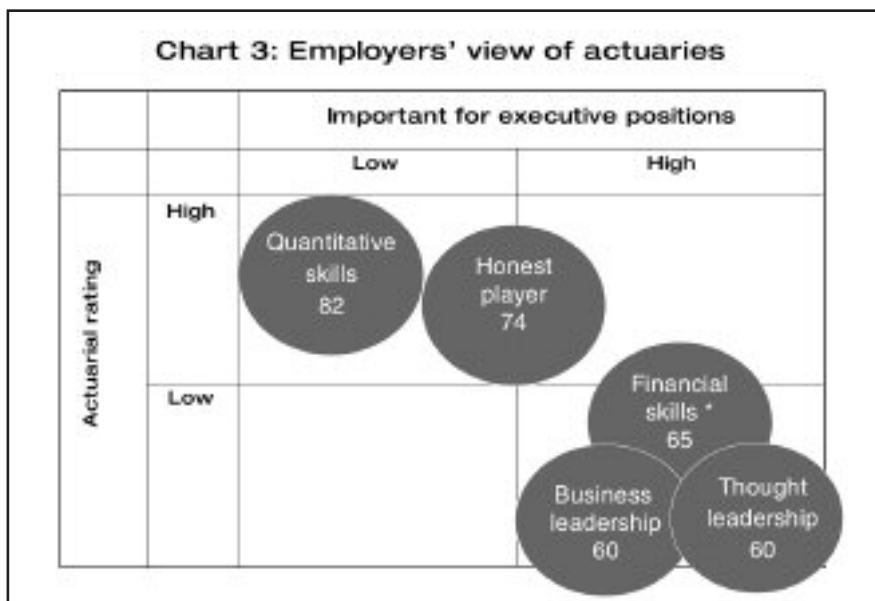
(continued on next page)

Chart 2: Leadership is not about technical skills

Selected topics:

- Leading by "feel"
- Emotional Quotient (EQ)
- Recruiting
- Listening skills
- Mentoring
- Psychological profile
- Handling setbacks
- Entrepreneurial culture
- "People are complex, people are different"

The image shows the cover of a Harvard Business Review article titled "Inside the Mind of the Leader". The cover features a black and white photograph of a person's hands clasped together, with the title text overlaid in a large, bold font. The Harvard Business Review logo is at the top.



Source: 2002 SOA Survey

One of the more interesting observations from the AF's focus group was that clients view the actuaries that communicate best to be the best actuaries.

Your actions. You can do several things to help protect the future image of the actuary, as well as your own future opportunities:

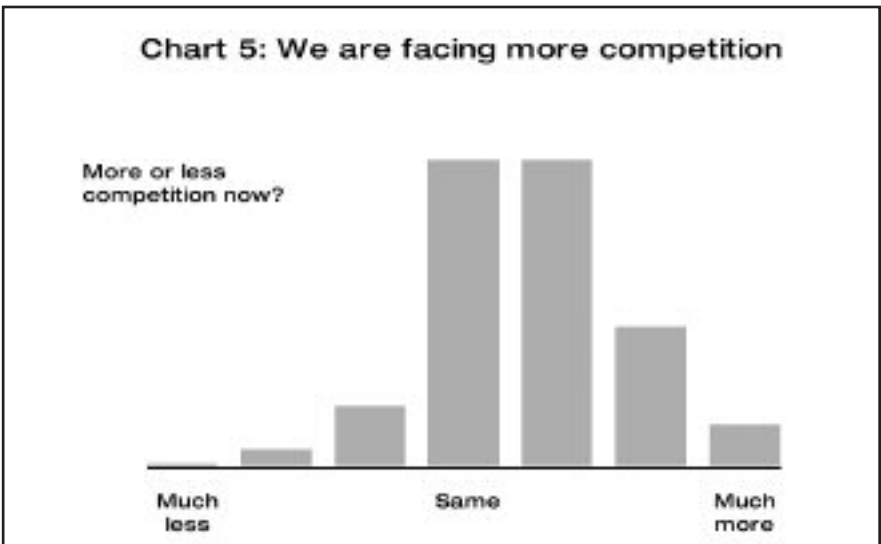
- Support the efforts of the SOA and AF to improve our business savvy skills.
- Attend SOA sessions on business savvy skills. The Management & Personal Development Section and the Actuary of the Future Section offer such topics at their sessions.
- Take courses on these "soft skills" that may be offered at your company or study on your own (contact me at sisegal@deloitte.com for references to books

Chart 4: Differing views on priority of actions

| Actuarial Skills | Employer's view | Actuaries' view |
|---------------------------|---|---|
| Needing most improvement | <ul style="list-style-type: none"> • Communication Skills • Big picture focus • Business acumen • Leadership • Being proactive | <ul style="list-style-type: none"> • Communication Skills • Big picture focus • Business acumen • Leadership • Being proactive |
| Needing least improvement | <ul style="list-style-type: none"> • Ethical • Quantitative • Financial reporting | <ul style="list-style-type: none"> • Take risks • Industry knowledge • Team player |

Source: 2002 SOA Survey

One of the more interesting observations from the AF's focus group was that clients view the actuaries that communicate best to be the best actuaries.



Source: 2002 SOA Survey

on business savvy skills, including: persuasive communication, writing skills, listening skills and negotiation).

- Join an industry committee. Serving on a committee is like getting free training in business savvy skills, including: leadership, management, presentation skills, marketing, negotiation, teamwork, networking and knowledge of industry activities.

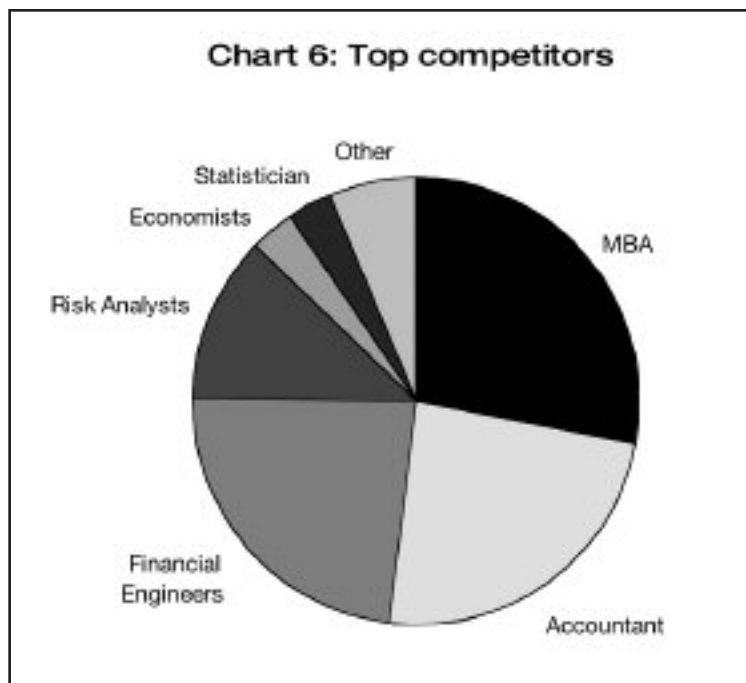
Our environment has changed, resulting in fewer opportunities than in the past. We must overcome our non-proactive nature, get out of our comfort zone and build our soft skills to reverse this trend.

My favorite quote has some relevance here:

“Insanity: Doing the same thing over and over again and each time expecting different results.”

— Albert Einstein

Not wanting to behave insanely, what will you do the next time you attend an industry conference? Will you attend a technical session on a topic in which you are already nearly an expert but for which you want to be aware of every footnote? Or will you attend a session that has much more marginal impact on your future—a session on business savvy skills? For the sake of protecting the future image of the actuary, I hope we all make the right choice. □



Source: 2002 SOA Survey



Your Biggest Business Risk? It May Be Your Next Hire

By Jennifer L. Gillespie

When we hire or promote a candidate into a leadership position, we tend to look closely at his or her technical skills. We often find a prospective leader who possesses strong technical knowledge, who presents him or herself well in the interview and who appears to be a good fit for the job. However, what if this candidate is not in fact, a good fit?

Making a mistake when hiring or promoting leadership staff can be very expensive to you and your organization. You could find yourself offering explanations and apologies and trying to repair bridges if this leadership candidate cannot effectively operate in the existing corporate culture, respectfully work to change the culture or quickly adapt to the styles of the other people in the organization. Time and energy are spent training and developing a new resource.

In addition, ill will is created within your own leadership team if the new member isn't able to contribute or has a style that is too disruptive. Valuable members of this candidate's potential team are at risk if this candidate creates a work environment that is too frustrating or unrewarding. The worst-case scenario is where the fit is so bad that termination is the only outcome. You and those people above you have to spend a great deal of time and energy working through the process, the failed leader is demoralized and there could even be a lawsuit or settlement.

The problem is that these can be very challenging decisions. Soft skills are hard to judge and we are not necessarily equipped with the

perspective or skill to be confident of a good outcome. It can feel like an easy decision to hire someone whose style matches your own. However, a good team needs the balance of a variety of styles, as long as they build to strengthen and not divide. While we make better decisions with practice, this is an expensive arena in which to learn by trial and error.

How can we improve our odds of making a good decision? Sometimes the best answer is to seek input from a more neutral party. There may be somebody within your human resources department who can fill this role or you may need to seek assistance from an external management consultant. In order to be valuable in this situation, this person needs to understand the dynamics of your workplace in general and familiarize him or herself with the working styles and personalities of the other leadership staff. This resource needs the ability to independently offer honest second opinions. Keep in mind that you are one of the key people whose style or personality is part of the equation. If you aren't prepared to hear about the impact of your own strengths and weaknesses, don't seek this kind of help.

Is this type of assistance expensive? An outside management consultant would charge between \$1000 and \$2000 for a full-day assessment of each of your final candidates. Compared to the costs above, this is not a large expenditure. Avoiding one mistake in the course of several hires over time makes this practice a good investment. □



Jennifer L. Gillespie, FSA, MAAA, is a vice president and actuary for Blue Cross and Blue Shield of MN in Eagan, Minn. and a member of the Management and Personal Development Section Council.

jennifer_gillespie@bluecrossmn.com

Making a mistake when hiring or promoting leadership staff can be very expensive to you and your organization.

Managerially Speaking: Why Is the Machine Leaking?

by Marcel Gingras

Over the course of my career, I have had the opportunity to work with organizations of varying sizes. I have worked with an organization employing close to one hundred thousand people, a couple with ten thousand people and also a couple with less than five hundred people. Up to a few months ago, I never tried to work with an organization of one person, i.e., me working on my own.

Working on my own has given me the opportunity to see more clearly the advantages and disadvantages of working with a very small organization and working with very large ones. At one end of the spectrum, I now have to do everything, i.e., sales, marketing, administration and delivery of work. I can't afford a number of tools and the specialization many large organizations take for granted, and as a result, I am not as efficient as I could otherwise be.

On the other hand, I know exactly what I want to do and how I want to do it. I don't waste time in internal meetings. I am very focused and I am proud of what I am doing. Hence, I am quite efficient on that front.

On balance, I assume that, proportionally speaking, mid-size and large organizations should be at least as efficient as me, or any other owner operated business, and possibly quite a bit more efficient, given their access to capital, technology and savings created through economies of scale. It is my view that most organizations are far from being proportionally efficient as they should be, and therefore, fail to realize their full potential or if you prefer, leaking to varying degrees.

What is the issue?

Essentially, I believe that an organization with one thousand employees, for example, should be at least one thousand times more productive than an organization with one employee. I don't have any data to suggest that they are more or less productive than one thousand times, how-

ever my experience is that for most organizations, the number is likely to be somewhat below or well below one thousand. In any event, it is pretty certain that the number is well below where it should be given the well-publicized synergies and economies of scale.

It is my opinion that economies of scale and gains attributable to specialization by function are often negated by the added complexity and the resulting confusion in the organization. Obviously, this is not universally true of every organization; however, it is pretty well universally true that every organization has room for improvement.

Why do most organizations fail to realize their full potential?

There are a variety of reasons why organizations are leaking or fail to realize their full potential. I have attempted to list below some of the major sources of leakage that exist, in varying degrees, in most organizations of any size. I have also identified some of the root causes:

- **Unclear vision.** In many organizations, many people don't understand the vision of the enterprise. They don't understand it because it does not exist, because it has not been communicated or because it is not being reinforced continuously to existing and new employees.
- **Communications.** In many organizations, communications are not as well organized as they could be. Even if they are well organized, the time required for leaders to communicate and for employees to capture the information becomes a source of reduced productivity. Keep in mind that my starting point is an enterprise with a sole employee, where no time is allocated to internal communications.

(continued on next page)



Marcel Gingras is president of Marcel Gingras Consulting Services Inc. in Oakville, Ontario.

marcel.gingras@mgcsi.com
(905) 849-3751

...economies of scale and gains attributable to specialization by function are often negated by the added complexity and the resulting confusion in the organization.

Managerially Speaking • continued from prior page

- **Pride.** One of the main drivers for sole operators is the pride they have for the work they do. If they wish to stay in business, they have no choice but to be proud. In larger organizations, it is a mammoth task to create pride. It can be done, however, it is difficult. Over the years, I have always been amazed at the amount of internal criticism directed at organizations, quite often by senior and/or long-term employees. Hardly a recipe for success!
- **Focus.** Again, smaller enterprises need to focus on what really matters, otherwise the enterprise is unlikely to stay alive for very long. In larger organizations, there is quite a bit of leakage because people sometimes focus on things that don't really matter, or activities with low added value or even worse, negative added value. As an example, I recently tried to subscribe to a magazine and was warned that my application will take six weeks to process. What is wrong with an organization that takes six weeks to accept my simple straightforward business?
- **Politics.** Not surprisingly, as soon as you bring more than one person into a company, there will be politics. Hopefully, it will not amount to much, but it will still be there. People will always have some amount of personal agenda. Some organizations are known as real political nests, and as a result, there is major leakage in productivity.
- **Teamwork.** Teams of one are quite team focused by definition. In fact, it hardly qualifies as a team. Ideally, teams of more than one would enjoy the same unity in perspective and execution as a team of one. Some teams work very well together, however, it typically does not happen by accident. It requires a fair amount of time invested. Unfortunately, many teams lack the desired uniformity and the result is even worse, i.e., lack of uniformity in direction and execution.
- **Mindset.** With small organizations, it is easier to have a uniform mindset or culture, i.e., the set of values and principles accepted within the organization. In larger organizations, there are different mindsets or subcultures. Merger and acquisition activity generally compounds the challenge.
- **Leadership and management.** In very small organizations, leadership is not so critical, especially if there are no other employees than the owner. However, in large organizations leadership and management competencies are critical, yet many organizations suffer from a lack of these skills. A number of people who are in leadership roles behave as if their role was managerial, i.e., they manage things as opposed to leading people. In most enterprises, the leakage attributable to this shortcoming is huge.
- **Organizational design.** As companies grow, they need to spend more time on organizational design. Some suffer from poor organizational design, and others are known to change the design continuously, resulting in confusion and wasted time.
- **Empowerment.** In small companies, resourceful people survive by overcoming barriers to get things done. In larger organizations, convincing people that they are empowered to do things is a major challenge. In other organizations, people are really not empowered to do much without a lot of bureaucratic involvement. Both of these situations lead to wasted time as people wait for somebody else to do something.
- **Sense of ownership.** The beauty of operating a small business is that there is direct linkage between action and results. In most organizations, it is difficult to create that sense of ownership beyond a limited number of people at the top of the organization. As a result, people behave as if they are handling someone else's business as opposed to their

In larger organizations, there is quite a bit of leakage because people sometimes focus on things that don't really matter.

Managerially Speaking • continued from prior page

own. Many organizations do a good job trying to create that sense of ownership, however, many don't do such a great job.

- **Creativity.** Due to the heavy bureaucracy afflicting many organizations, it is difficult for people to convey ideas, get them accepted and implement them. After a while, this kills creativity within the organization. It is difficult to create a climate conducive to creativity. It is much easier to create a climate where it does not exist.
- **Meetings.** In most organizations, there is a huge amount of time spent in meetings. Yet, many organizations allow wasting vast amounts of resources because there are too many meetings lasting too long, attended by too many people and quite often there is no specific or measurable outcome. Companies have all types of controls on hard cost spending, yet they sometimes allow anyone to call a meeting that may cost \$2,000, once the full cost is recognized.
- **Financial focus.** Small enterprises quickly understand the basics of finance. Revenues must exceed expenses by some margin and positive cash flow is most desirable. This financial focus gets lost as organizations

grow. Eventually, except for a few people, employees tend not to see the whole financial picture and eventually assume that managing the financial aspect is not part of their job.

What can be done?

One of the responsibilities of leaders is to create and communicate a vision for the enterprise. They must also create an environment that is conducive to handling business as effectively as possible. As part of creating the right environment, leaders must pay attention to the sources of leakage within the organization, i.e., areas where the organization is failing to realize its full potential. Each potential source of leakage needs to be reviewed systematically and continuously.

In future articles, I will address most of the areas mentioned in the previous section, with some examples of how incremental improvement is possible in each one of them.

Conclusion

Based on experience working directly and indirectly with several organizations, every company has several sources of leakage. The issue is not whether your own machine is leaking or not; rather, the issue is to determine how much leakage exists and how long you can afford to wait before you fix it. □

Companies have all types of controls on hard cost spending, yet they sometimes allow anyone to call a meeting that may cost \$2,000, once the full cost is recognized.

'Managerially Speaking' is produced by Marcel Gingras, president of Marcel Gingras Consulting Services Inc. You are welcome to distribute to others. Acknowledgement of the source would be appreciated.



Achieve Your Career Potential!

By John West Hadley

(This article is part 3 of a 3 part series. Part 1 in the April 2004 issue of The Stepping Stone covered practical tips for hitting a home run in interviews. Part 2 in the July 2004 issue discussed how to hit the ground running in your new job.)

When was the last time you sat back and gave serious thought to what you want to achieve in life, and how what you do at work is aligned with that? Are you doing what you really want to do? Do you still think of your job as a career, or has it become simply a source of a paycheck? Do you get up in the morning excited to go to work? Do you take pride in what you've accomplished at the end of the day? If the answer to these questions is no, it's time to re-examine your priorities. Think of what it's costing you each day to come to a job you aren't really that interested in anymore, to periodically glance at the clock in the afternoon, wishing you could get home to what's truly important in your life! And what does that cost you at home—spending eight or more hours a day doing something that leaves you drained instead of energized?

It's common to feel blocked at certain points in your career. A secret to getting unblocked is to first get back in touch with what is really important to you, what you want to see happen and then what achieving that will do for you. This is how you can tap into a real source of energy, for making things happen, and create a commitment to doing it. I did this in my own career when I pursued a promotion to vice president. I was well-compensated and enjoyed my job and level of authority. At the same time, I felt I sometimes wasn't seen as the key player I envisioned, since many other department heads were VPs already. I found enormous energy in just making the decision to earn that promotion, and found that my approach to my job was transformed by keeping my goal in mind. I set out to prove I had the leadership potential to deserve the promotion, and took charge of a major initiative. Within a year, I was promoted.

A variety of issues may create obstacles to career advancement, and often it is difficult for us to see how to get around them. We tend to develop tunnel vision because of habits we've

fallen into, assumptions we've made about what is or isn't possible or simply a lack of open, effective communication. For example, one friend left a job he enjoyed because he had a long commute and assumed that there was nothing to be done about it. He had been offered relocation expenses, but didn't want to move. When he turned in his resignation, his boss offered him a chance to work four days a week from a remote office 10 minutes from his home. That possibility had never occurred to him, but it was too late as he had already accepted another company's offer and felt honor-bound to leave.

It can be very helpful to have a fresh perspective on the issues you are facing everyday, and this is one of the values I offer my clients. An honest self-evaluation of important areas for career growth can be a critical first step. Here are some of those areas. Try rating yourself in these on a scale from 1 (= I desperately need to work on this) to 10 (= I am outstanding in this area):

- 1) My relationship with my boss
- 2) My relationship with my peers
- 3) My relationship with my subordinates
- 4) My success at developing my employees
- 5) My grace under pressure
- 6) My impact in meetings
- 7) My ability to consistently communicate the value I am adding to my company
- 8) The value my boss perceives I am adding to the company
- 9) The value my boss' boss perceives I am adding to the company
- 10) The value other influential people perceive I am adding to the company
- 11) My visibility in the company
- 12) The size of my personal network of contacts
- 13) My success at developing, expanding and effectively using my network
- 14) My ability to lead significant projects/initiatives
- 15) The perception others have of my leadership potential



John West Hadley, FSA, is principal of John Hadley Associates in Somerville, N.J.

John@JHACareers.com
(908) 725-2437

It's common to feel blocked at certain points in your career. A secret to getting unblocked is to first get back in touch with what is really important to you...

Achieve Your Career Potential • continued from prior page

Ideally, you would like to rate yourself eight or higher in all areas, but this is rarely the case. Most of us are “works in progress” who constantly strive to make ourselves better. If there are any areas in which you rated yourself a three or less, you’ve identified problem areas that need immediate attention before they do serious damage to your career (or where you need to figure it out). Assuming you aren’t in this desperate situation with any areas, it’s time to prioritize what needs the most attention. This isn’t just a matter of picking the area(s) in which you gave yourself the lowest rating(s). Instead, write down all of the areas in which you rated yourself less than an eight. Split them into 4-5 vs. 6-7 ratings. Now go back to your short-term and long-term goals. (And make sure you are honest with yourself about your goals. Just because “others” expect you to one day be chief actuary, CEO or head of your own consulting practice doesn’t mean that it should be your aim!)

Starting with the areas that scored 4-5, think about which area has the most impact on achieving your short- and long-term goals. (If there are no areas scored below a six, move ahead to the 6-7s right away.) Get really clear on how improving your performance in that area will facilitate achieving what is most important to you and commit to making massive progress in the next three months. This doesn’t mean that you will completely ignore any of the other areas you’ve identified; having accepted that you need improvement will by itself increase your sensitivity to ways you could do better. What it does mean is that your concentration will be on the one area that is most important to your progress right now. Think about steps you could take to work on that area, including finding a trusted advisor (e.g., an internal mentor, a peer, a close friend, a family member or a career counselor) who can help you evaluate your plans and partner with you in your progress.

Now, create an action plan with specific short-term goals, and decide on a way to reward yourself when you achieve those goals. Finally, commit to following through with your action plan, and to specific dates when you are

going to check in with your advisor on your progress. Once you’ve finished your first three-month plan, sit down with your advisor and honestly evaluate how you did, and whether you achieved the progress you were seeking. Remember that your purpose is not to beat yourself up for what you haven’t done, but to figure out how to accomplish change for the future. Few of us change overnight the habits and ways of operating learned over many years, and you may need to experiment with different strategies to find the ones that work best for you. If your progress isn’t what you sought, get really clear on why:

- Did you follow through on what you agreed, and if not, why not?
- Were you truly committed to making change happen, and if not, why not?
- Did you have unrealistic expectations as to what you could accomplish in three months?
- Did you let other unforeseen priorities interfere and should they have?

Now decide what is the most important area in which to make your most serious concentration for the next three months—this could be the same area as before, or you could go back to the other areas you rated below an eight—but be sure to re-score yourself based on how you feel about these areas in light of what you have learned in the past three months.

(Readers who want help in identifying their hidden obstacles so they can take action, are invited to call John Hadley to schedule a free 30-minute phone counseling session.) □

...make sure you are honest with yourself about your goals. Just because “others” expect you to one day be chief actuary, CEO or head of your own consulting practice doesn’t mean that it should be your aim.



Actuary Morphs Into Coach

by Gerald A. Fryer

*"Every exit is an entry somewhere else."
—Tom Stoppard*

The nontraditional phase of my career has just begun. In this article I will explain why coaching was a logical, if somewhat surprising, career option for my phase 2, and how my practice will be able to support my original profession.

Beginnings

Why did you enter your profession? The common thread that connects most actuaries is an affinity for mathematics, along with a preference for business applications. In addition, I had the equivalent (it was 1969, before these terms achieved general currency) of a personal mission statement when I started out:

"To improve the financial security of Canadians."

You probably had hopes and dreams for your career as well, going beyond merely financial ones, in terms of making a contribution to your chosen profession or to society in general.

The "Actuary Phase"

I spent my entire first career at a single insurance company. Given the times, this experience was never dull—in fact, it became increasingly fascinating as inflation heated up, product innovation grew and competition increased rapidly. I experienced the usual planned and unplanned moves from area to area along with gradual upward movement in the organization. I had the luxury of concentrating on building my technical skills, relatively sheltered from events in the outside world compared to what was to come.

Bearing in mind my original mission, I gravitated to product development work and was always keen to balance the company's desire for its profit targets with exceptional customer value, be it price competitiveness or some degree of product differentiation. This led to

working with our marketing people, as well as speaking publicly at our branches and other forums, which I thoroughly enjoyed.

There is nothing more instructive than working in a high performing team under a great leader, which I had the immense good fortune to do on a few occasions—particularly when one has experienced its opposite. Because of this exposure, I began to study the difference between good and poor leaders, as well as the characteristics of productive and non-productive teams.

I was part of the organization's middle management, although that term was something of a misnomer, as I headed up small teams that never exceeded three or four people. Looking back, what really invigorated my career from time to time was the high-potential people—actuarial students and others—who worked with me. Together, we produced vast amounts of quality work. We were more or less partners; we had great discussions about what we were doing and why; they generated new ideas; they were not afraid to fail; and invariably they proved to be successful later on in their careers. When we moved on to do other things, I felt a real sense of loss.

In the early 1990s, as Canadian life insurance company consolidation became a looming reality, my own company began to respond with internal reorganizations, new strategic plans and then employee training initiatives to support the empowerment that followed. Suddenly we were taking courses about possibility thinking, changing ingrained habits and attitudes, how to visualize and imprint stretch targets and then inventing the means to get there, and so on.

I was so taken with the power of this new information for driving change that I facilitated these courses for other staff members on a number of occasions.

Everything came together in 1997, when I became the leader of a start-up business unit of 40 people. This was a tremendous learning experience in people management, strategic plan-



Gerald A. Fryer, FSA, FClA, is a consulting actuary in Thornhill, Ontario.

g3fryer@rogers.com

...what really invigorated my career from time to time were the high-potential people—actuarial students and others—who worked with me...We were more or less partners.

Actuary Morphs Into Coach • continued from prior page

ning, legacy systems replacement and leading edge concepts such as the balanced scorecard. Theory became reality, as everything I had learned about leadership, team-building and change management was now translated into real-time planning and decision making.

The profit center proved to be successful in many dimensions: organizational development, process management, customer research and profitability. What was clear to me, though, was that it was all contingent on tackling the people issues that are at the heart of so many business problems.

Choosing Coaching

The forces of consolidation did not exempt my prior company. After a period of rest and relaxation, I realized that I could pursue multiple growth possibilities. The experiences and opportunities of the actuary phase, while they gradually and perhaps inevitably led me away from pure actuarial work, opened up many new career vistas. The most powerful of these experiences was working with high-potential people over the course of my career—in helping others to grow and change, I had become transformed.

Coaching turned out to be an opportunity to work with people who are motivated to change their lives in some way. I am delighted to discover a new learning and growth opportunity that meshes so well with my own latent interests.

The essence of personal coaching is that coach and client form a collaborative and dynamic relationship, in which the coach is at the service of the client in forwarding the latter's agenda for growth. The client is responsible for the content of the relationship, while the coach structures the ongoing process and their conversations, so that the client is better able to achieve their goals in whatever areas of life they choose. The coach asks questions—the client is considered to have the answers or to be able to find them. In this respect (and others), coaching is distinct from consulting and therapy.

This is very different from actuarial mathematics! However, what a coach does on an intensive basis resembles what an actuary who has evolved into a management role does when they have their coaching hat on, with one ex-

ception: the accountability for results in the intensive coaching relationship lies completely with the client.

So was there a logical path from the actuary I had become to entering the coaching profession? The reader may have picked up the clues:

- **Helping**—The original mission to improve financial security has changed into helping specific individuals make progress with what matters in their lives.
- **Entrepreneurship**—From being a leader and an entrepreneur to setting up my own practice.
- **Amateur to Professional Coach**—The multiple experiences I had had with high-potential employees were quasi-coaching, before I even knew the meaning of the word.
- **Facilitation**—The in-house seminar facilitation experience was an introduction to coaching on a group basis, as well as to some of the coaching concepts.
- **Shared Experience**—Years of being in an increasingly exposed financial services company provide an experience base for coaching those who are exposed now.

Giving Back

The 2003 SOA white paper entitled “Long Term Growth & Vitality of the Actuarial Profession,” while noting the strengths of the profession and its members, pointed out our weaknesses in areas such as:

- Communication
- Focusing on the big picture
- Proactive approach
- Taking informed, bold risks
- Business acumen

The Management and Personal Development Section is tasked with helping actuaries develop these “business savvy” skills—but the ultimate responsibility lies with the individual.

In Canada, a CIA Task Force on Enhancing the Demand for Actuaries reported its agreement with the SOA white paper's direction in early 2004, with one major addendum. The task force felt that mergers and acquisitions (M&A) activity had led to a “burning platform” north of the border, as numerous mid-career actuaries

The essence of personal coaching is that coach and client form a collaborative and dynamic relationship, in which the coach is at the service of the client in forwarding the latter's agenda for growth.

(continued on page 26)

Interviewing Techniques

by Pauline Reimer

As an actuary and a professional actuarial recruiter with over 25 years of experience in the industry, I was approached to share some thoughts on basic interviewing techniques. While many of the observations below may be obvious to the candidate, many of these are not focused upon when the time comes. Keep this article as a handy checklist to use for your next interview.

BEFORE THE INTERVIEW

Connectivity

Timing is everything. As a result, you must be as accessible as possible to take advantage of an opportunity. If you can't be reached, the company may interview the next qualified person who is available. If you do not own a mobile phone, borrow or rent one. Set up a private e-mail address, even if you have one at work. Frequently check your voice mail and e-mail messages and respond promptly. If possible, avoid leaving a message with a third party. Always make phone calls personally—do not delegate them to your parents, spouse, etc.

Resume

Prepare a polished resume. Here are my recommended categories, in order:

1. Professional designations and associations: List all designations and committee memberships with dates. If still sitting for exams, this category is called "Actuarial Status." List all exam parts passed and associateship dates, if applicable.
2. Professional experience: In reverse chronological order, list in bullet form all company names, locations, dates of employment, last title and job description.
3. Education: Include degree(s), institution(s), location(s), graduation date(s), major and minor, honors/awards (including GPA/SAT scores, if impressive and relatively recent).
4. Computer skills: Include software, languages and operating systems.
5. Miscellaneous (optional): Include foreign languages, hobbies, interests (if diversified), etc.

Note: Including an "objective" is unnecessary and, even at times, disadvantageous.

Research

Research the company. Interviewers expect candidates to have done their homework. Use the company's Web site and Internet search engines. Review the company's history, lines of business, the number of offices, its financial statements, etc. Be careful not to ask the interviewer a question whose answer is stated on the company's Web site.

Letters of reference

Because it is difficult for employers to get references of any sort, it is a big plus to have a letter, or letters, from prior employers or past performance appraisals. Letters should include superlatives like "best" or "most" and words like "hardworking," "ethical," "trustworthy" and "dependable." The letter should also state that they would hire you again or welcome the chance to work with you again. Include their name and phone number on it for further contact if needed. Also, make copies of any type of awards or certificates of achievement that may play a role in a prospective employer gaining some insight into you.

Other information

Prepare the information needed for completing the application at the interview. You will likely need the names of your references, dates of graduation and schooling, employment history (including dates) and names of former/present supervisors, your contact numbers and Social Security number. Notify your references in advance that they may be contacted.

Appropriate, professional attire

You never get a second chance to make a first impression!



Pauline Reimer, ASA, MAAA, is the director of actuarial recruiting at Pryor Associates in Hicksville, N.Y. She also serves as VP of public relations for the Actuarial Society of Greater New York.

paulinereimer@aol.com

Interviewing Techniques • continued from prior page

The ideal way to dress for an interview is business formal, even if the interviewing company is business casual, unless there is a specific request by the hiring company to dress business casual. If dressing formally poses a problem (e.g., you are going/coming directly from your current employer), it is acceptable to wear very nice business casual (e.g., for males: a light colored, long sleeve cotton button-down shirt and dark slacks, and maybe a sports jacket or vest, but no tie), as long as you address the issue immediately at the beginning of the interview and apologetically explain to each interviewer why you had to dress casually and that you appreciate them being so understanding about the situation. The one thing NOT to do is attempt to compromise by mixing business formal and business casual—this results in an unprofessional appearance.

Here are my recommendations for business formal attire:

Male—Business formal

- Business suit (navy blue or charcoal grey faint pinstripe preferred)
- Starched white shirt
- Silk tie, color-coordinated print
- Jewelry, any worn visibly besides a watch should be limited to professional items (e.g., college ring or wedding band)

Female—Business formal

- Business Suit (two- or three-piece dark skirted suit preferred)
- If blouse is worn, white is ideal
- Jewelry, appropriate to the outfit (e.g., pearls or refined necklace/earrings, and avoid multiple earrings)
- Makeup, applied in a professional manner

Etiquette

Refrain from smoking, drinking alcohol (even at a lunch interview), chewing gum or wearing excessive perfume or colognes. Turn off all your electronic devices (phone, Palm, pager, Blackberry, etc.) before you enter the interview.

Preparation

In *The Art of War*, Sun Tsu indicated that the battle was won before it was fought—in the preparation. Practice is the key to success in anything you want to accomplish (remember the first

time you learned to ride a bike). Many people find that using a tape recorder or video recorder is a very helpful tool in preparation for the interview. Get a good night's sleep and make sure you eat before you go on an interview. Do not take any medications or drink alcoholic beverages that will impair your behavior. You want to be alert and show your best side.

Bring a professional-looking leather folio, which should include a nice pen and note pad, which will keep the multiple copies of your resume neat and crisp. Plan to arrive a few minutes early, but no more than 10 minutes early. You may want to make a trial run before you go if you are not sure where it is, and don't be afraid to ask for directions when you set up the appointment. Never be more than two minutes late. If you are running late, call the company to let them know; if you are using a recruiter, give the recruiter the "heads up" that you are running late. Make sure to apologize for your tardiness in the phone call and immediately again in person.

DURING THE INTERVIEW**Application**

Complete the application with the same level of care that you would a work assignment. Neatness is important when filling out the application. Make sure you complete all the necessary information accurately and completely, even if you have a resume. Honesty is essential. Since 9/11, most companies use outside firms to verify information, including dates, salaries, education, diplomas and degrees. A potential employer will most likely not hire someone who has written false information on his/her resume or application, even if the candidate was ideally suited to the position. If you are using an agency, it's just as important to be totally honest with them, too. Most applicants fill in the "salary desired" box with "open." Avoid rambling, wordy responses. Stick to the point and make your answers clear and crisp. Try not to use improper language, slang or esoteric abbreviations or acronyms.

The one thing NOT to do is attempt to compromise by mixing business formal and business casual—this results in an unprofessional appearance.



(continued on next page)

Interviewing Techniques • continued from prior page

Greeting

Greet the interviewer by offering your firm handshake, while maintaining good eye contact.

Body language

When you sit (upon invitation), sit erect and give the interviewer your undivided attention. Do not fidget with jewelry, your hands or knick-knacks on the interviewer's desk. Maintain good eye contact, which shows sincerity, high self-esteem and good interactive people skills.

Attitude

A "what's in it for me?" attitude can be a turn-off. Stating that money is your primary motivation is never well-received. Your interviewer will get the impression that you will probably leave them as soon as you are offered more money elsewhere. Refrain from discussing sick leave, vacation, time off, benefits, etc., before you are offered the position. When the subject of salary comes up (and always wait until it is brought up), the best way to handle the very delicate, and sometimes uncomfortable, subject of money is to ask if they have a range they are considering. "I would like to be paid whatever the position is worth" is also a good answer if you're asked for a specific response. If you are really pressed for an expected salary, simply state your current salary and bonus (mention if you expect a performance review or promotion soon), and leave the rest open. Be very positive and enthusiastic on the interview. Never ask a question or make a statement that implies a negative feeling or doubt regarding the position or company, its stability, future, etc. Bragging or appearing as a "know-it-all" is also a turn-off. Do, however, stress achievements. Avoid jokes, especially off-color ones and never speak "ill" of a former employer.

Dining

If the interview process includes breakfast, lunch or dinner, keep the menu simple and avoid messy or hard to eat foods, such as fried chicken or a set of ribs. Don't order the most expensive item on the menu. Refrain from alcoholic beverages, even if the interviewer orders one. Watch your table manners and don't forget to be polite to the server, as well as the members of your party.

Exiting and follow-through

At the conclusion of the interview, ask the interviewer for his business card so you can follow up with a thank-you card. Always smile and end the interview with a good, firm handshake, thanking them for the opportunity. It is also appropriate to ask the interviewer what his timeframe is for filling the position. If you went through a recruiter, call him or her immediately afterward to review the process. Share with the recruiter any problems that occurred. The recruiter will be able to conduct a more beneficial follow-up call to the hiring authority if he or she has all the information as to how the interview progressed. Once the recruiter obtains feedback, he or she will guide you on whether or not writing a thank-you note is necessary.

AFTER THE INTERVIEW**Thank-you notes**

A thank-you note is sometimes not necessary, e.g., if the company calls you back immediately for the next stage or if you are using a recruiter who advises it's not necessary. However, if you do write one, make sure it is timely, comprehensive and specific to that interview, not simply a "quick and dirty" or off-the-shelf version. Thank them for taking the time with you and mention the day of the interview. You might also want to mention something they will remember about you, especially if they interviewed a lot of people or are going to interview more. Mention why you think you are qualified for the job and how you could contribute to their organization. Use this note to say all the things you wished you had said on the interview, but may not have had the opportunity.

Closure

I hope these suggestions will help make the interview process more successful for you. If the interview does not go as well as you hoped, don't dwell on it. Let it go, but always try to improve your style for future interviews. Try to obtain as much feedback as possible as to how you performed on the interview and in what areas you need improvement. Remember, there are no failures, just baby steps to success. □

...but always try to improve your style for future interviews.

Try to obtain as much feedback as possible as to how you performed on the interview and in what areas you need improvement.

Perfect Pitch Works Like Magic

by Jim Gray

It's among the most difficult, yet rewarding aspects of entrepreneurial life. It can make you rich or stymie your career. Some are brilliant at it, but most do it poorly.

It's pitching for new business.

There are three basic functions common to any private sector enterprise: execution, strategy and new business development. Master execution and you'll have a job. Master execution and strategy and you'll have a career. Master execution, strategy and new business development and you'll have a luxury downtown loft with concierge service.

In companies large and small, new business is the lifeblood that determines prosperity, survival or failure. Within most enterprises, the many feed off the revenue brought in by the few. Become a member of that accomplished few and you'll render yourself a valuable commodity indeed.

But how do you get there? How do you beat the competition and convince targeted customers to respond to your particular call to action? Here are five cardinal rules:

Be Open to Opportunity. It's knocking, but you have to recognize the sound (and the location). Just as it's much more expensive to attract a new client than it is to retain an existing one, it's more costly and time-consuming to pitch to a prospective customer than an existing one. Frequently, we overlook terrific new business opportunities with current clients, to chase after lower-percentage shots with people who don't know us or our work. Listen to your clients. Create opportunities for them to tell you about their issues and concerns. Sometimes, you'll identify a need and propose a solution for it without the necessity of a competitive pitch. Former clients, colleagues and employees are also a rich source of new business opportunities. But what about those you don't know? When approaching them, seek a meeting by explaining that you have a concept targeted to their situation or need. Whatever the relationship, simply waiting to be asked to help invariably results in lost opportunities.

Research thoroughly. Whether you're pitching "on spec" or responding to a formal request for proposal, research is the key. Strive to become an expert on the particular sector or issue under review. Seek clarification from the client, well before your presentation, on points you don't fully comprehend. Clearly, you'll never know as much as the client. However, great pitchers always endeavor to discover at least one nugget of intelligence that the client doesn't possess. This can be garnered through interviews with industry and thought leaders, advocacy groups and the client's own customers. Find the right nugget, interpret its meaning, construct a strategy to exploit it and you've provided convincing value.

Select Your Team Carefully. Prospective clients don't expect perfection, but they do expect honesty. Most companies have been burned by pitchers who've shown up at the big presentation with a top-heavy "dream team," and then, having the account, leave its management to a collection of less experienced juniors. Increasingly, clients insist that only those who would actually work on their business be part of the pitch team. What do clients look for in the members of your team? Chemistry and a willingness to listen well before speaking. Customers know they'll be spending a good deal of time with the people who'll be serving them, so all things being equal, they'll select the pitchers with whom they feel most comfortable. No matter how personable the members of your crew, never let them outnumber the roster from the client side. Customers get nervous when they see a lot of bodies—they believe it means they'll be paying mainly for salaries, not results. Deploy your people where they'll deliver the most impact. If it's not possible (or appropriate) for your chief executive officer to be in on the pitch, have him or her tape a brief segment for the formal presentation, then call client decision makers after, reiterating your company's commitment to the business.



Jim Gray is the principal of Media Strategy, Inc., in Toronto, Ontario.

jgray@mediastategy.ca
www.mediastategy.ca

(continued on next page)

Perfect Pitch Works Like Magic • continued from prior page

Structure Well. Organize your pitch with a clear-cut introduction, body and conclusion. The introduction is your opportunity to provide your credentials. Most pitchers spend far too long here: Remember, it's not about you, it's about how your expertise can serve the needs of the client. Keep your introduction tight and bright. Briefly introduce the members of the pitch team, review your organization's history, cover off your client roster and then quickly move to the nuts and bolts of your presentation. The body or core of the pitch is where you expand upon your strategy, always linking your tactics to client benefits. In the conclusion or call to action, provide a budget, timeline and next steps. Go easy on the PowerPoint. Open and close your pitch with maximum eye contact, as people are always more interesting than technology.

Stand Apart. The best pitchers are prepared, confident and creative. They'll often develop a theme for their presentation, which reflects the direction of their strategic thinking and a commitment to the relationship with the prospective client. Above all, great pitchers look for ways to package and present their programs so they can stand apart from the competition. Here's an example: A Canadian public relations firm once aimed to run a large event in Paris on behalf of a global pharmaceutical client. The agency supported its proposal with a gift, a wooden wine crate, in which the client team found a bottle of French wine, French cheese, a corkscrew and a program for the event, complete with CD-ROM. The public relations firm beat out several international competitors to win the business. □

Above all, great pitchers look for ways to package and present their programs so they can stand apart from the competition.

© Copyright 2004 by Media Strategy, Inc. Reprinted with permission.

Meet The New Kids

The Younger Actuaries Section got the nod of approval at the Board of Governors' June 2004 meeting. The new section was created out of the need to establish a stronger link to recently qualified and future actuaries. Led primarily by younger actuaries, the section will work to advance the actuarial profession by addressing the needs of actuaries who are in the earlier part of their careers. Among other activities, the section will serve as a venue for identification and development of future SOA leaders, will educate its members about and give them a voice in SOA activities, increase the sense of belonging to the profession and will develop various programs targeted at professional advancement of younger actuaries. There is no age or credential requirement to join the section. Senior members are encouraged to join to stay in touch with the ideas and needs of the next generation of actuaries and to serve as mentors to the younger actuaries. Candidates and those early in their career are encouraged to join to link to the profession and benefit from section programs and activities that will further their professional and personal development. In order to ratify the section, 200 SOA members must sign up. Please support this cause, sign up today at: www.soa.org/ccm/cms-service/stream/asset/?asset_id=5179052&g11n. For more information, please contact Valentina Isakina, SOA Finance Practice Area Actuary at (847) 706-3584 or visakina@soa.org. □

To Better Communication

by Vincent G. Mace, Jr.

Communication skills are important for actuaries. This message appears frequently in articles in our publications and in various sessions at our meetings. Not only do we tell ourselves that communication skills are important, our customers tell us this as well. The following comments were found in job descriptions on the Job Link section of the Society's Web site:

- Must have strong verbal and written communication skills.
- Proven success in analyzing medical claims data, recognizing improvement opportunities, developing potential solutions and communicating to internal and external customers.
- Excellent oral, written and communication skills and the ability to present technical information to nontechnical audiences is highly desired.
- Demonstrated outstanding communication skills and a successful track record of individual and team performance are required.
- Strong oral and written communication skills.
- Strong human relations and communications skills are needed.
- Excellent oral communication skills.

Are the following hackneyed actuarial jokes based on unfounded stereotypes?

In Canada, there is a group of people who refuse to speak English. They're called separatists and tend to live in Quebec. In the United States, they're called actuaries.

Actuaries are people who skipped the first six grades of school when all the other kids were learning short words.

Question: How do you recognize an extroverted actuary?

Answer: When speaking to you he looks at your shoes and not his own.

Do you maintain eye contact with your audience? Do you use short words, avoid jargon and keep your sentences concise? Do you tailor your presentations to the audience?

The following is from Toastmasters International's Web site (www.toastmasters.org):

"Toastmasters International is a nonprofit organization that has been around for nearly 80 years and offers a way to practice and hone the communication and leadership skills of its members. A Toastmasters club is a 'learn-by-doing' workshop in which men and women hone their skills in a comfortable, friendly atmosphere. A typical club has 20 to 40 members and meets for about one hour weekly or bi-weekly to learn and practice public speaking techniques. Membership fees are minimal; total annual fees are usually less than \$75.

There is no instructor in a Toastmasters club. Instead, members evaluate one another's oral presentations. This evaluation process is an integral component of the program. Besides taking turns delivering prepared speeches and evaluating those of other members, Toastmasters give impromptu talks on assigned topics. They also develop listening skills, conduct meetings, serve as officers in various leadership roles and learn parliamentary procedure.

Instruction is provided by a series of manuals giving speaking assignments designed to develop specific speaking skills. The basic manual, provided in the new member



Vincent G. Mace, Jr., FSA, MAAA, is vice president and valuation actuary at Wellpoint Health Networks, Inc., in Thousand Oaks, Calif. and a member of the Management and Personal Development Section Council.

vince.mace@wellpoint.com

(continued on next page)

To Better Communication • continued from prior page

kit, uses a series of 10 speaking assignments to instill a basic foundation in public speaking. When finished with the first speech manual, members can select from among 15 advanced manuals to develop speaking skills that are geared to specific interests. They are: Public Relations, Specialty Speeches, The Entertaining Speaker, Speaking to Inform, The Discussion Leader, Speeches by Management, The Professional Speaker, Persuasive Speaking, Technical Presentations, Communicating on Television, Storytelling, Interpretive Reading, Interpersonal Communication, Special Occasion Speeches and Humorously Speaking.”

This may seem like an overly slow process when there are short seminars on public speaking and various college courses designed to teach the necessary techniques. There is no shortage of books and articles on the topic and online instruction is also available.

What is the advantage of Toastmasters?

The club environment provides a social support system to practice the skills necessary for effective communication in a structured format. There is the added benefit of having the opportunity to receive immediate, valuable feedback on delivery and other criteria as well as learning to evaluate and critique the presentations of others. To achieve their best performance, athletes work with coaches, and so should speakers.

To find an appropriate Toastmasters club, the first step is to go to <http://www.toastmasters.org>. The site provides a search function where you can find clubs near you. Most clubs are open to all and welcome visitors. Some have a special interest or are limited to members of a specific organization, but the Web site listings will tell you if that is the case. Different clubs have different styles, so sample a few until you find one that meets your communication goals and help stamp out the image of the incomprehensible actuary. □

PIMA Announces New Award

The Professional Insurance Marketing Association (PIMA) has established a new award called the Product and Process Innovative Marketing Award—or P2IMA. PIMA’s Product and Process Innovative Marketing Award competition, which is co-sponsored by the SOA’s Nontraditional Marketing Section, is open to all PIMA and SOA Nontraditional Marketing Section members. Entries will be judged equally on three critical elements: originality, salability and profitability. The product must have been introduced on or after January 1, 2001, and have involved a member of PIMA or the SOA in its development. Both insurance products and processes that facilitate insurance sales are eligible.

The entry fee is \$95. Entrants must be either PIMA members or SOA Nontraditional Marketing Section members. Members of the SOA who are not Nontraditional Marketing Section members may join the section by completing the application form that can be found on the SOA Web site at <http://www.soa.org/ccm/content/?categoryID=305005>. Click on the “Join a Section” link.

Membership in the Nontraditional Marketing Section costs \$20. The winner will receive an invitation to the PIMA conference in February 2005, a trophy and publicity within both PIMA and the SOA.

More information is available at the Nontraditional Marketing page of the SOA Web site at <http://www.soa.org/ccm/content/?categoryID=340001> or by calling PIMA at 817-569-PIMA. □

Interpersonal Skills and People Management: Actually, There's More

by Eli Amdur

Career coach and adjunct professor of executive communication and leadership, Eli Amdur reaches for great ideas from non-business leaders, Abraham Maslow, Albert Einstein, Yogi Berra, Henry Wadsworth Longfellow and more—and applies them to prepotent business issues of people management, interpersonal skills and talent development. Leaders who understand these lessons—understand them in a large context—will lead their organizations to success. What is that larger context? And why must we all consider ourselves leaders?

“**P**roper management of the work lives of human beings, of the way in which they earn their living, can improve the world and in this sense be a utopian or revolutionary technique.”

Who but Abraham Maslow, the father of modern humanism, could provide that overarching idea, that larger context in which we must rethink our roles as managers—better, as leaders—of people? When we take on all these prepotent (to use Maslow's own word) issues—soft skills, interpersonal skills, team building, motivation, synergy and more—we would be wise to view them in Maslow's framework.

Enlightened leadership

Over 60 years ago, Maslow was already teaching us about “enlightened management,” way ahead of his time. As a historic footnote, I am certain that, were he alive today, he would be talking about “enlightened leadership,” because the term “leadership” is so relatively new.

Actually, the word “leader” first appeared in the English lexicon about the year 1300 A.D., and it had a very flat definition: the first person on a journey. At a time when English was (a) just starting to develop into what would become the world's dominant language, and (b) strongly influenced by the impact of the Crusades, it is easy to understand this definition.

It wasn't until around 1800, half a millennium later, that the word “leadership” appeared in the Oxford English Dictionary, and the reason is not a coincidence. Think about that time. On one side of the Atlantic Ocean was arguably the greatest collection of leaders in one place at one time in the history of humankind: Washington, Jefferson, Madison, Hamilton, Franklin, Adams and Paine. Across the sea, there was Lafayette and there was Napoleon.

Two great revolutions were inextricably linked, and then there was the Industrial Revolution. And so, from government, politics, diplomacy, industry and invention was born the concept of—indeed, the very word —“leadership.”

It was not until well into the 20th century, though, that we started to explore leadership by asking questions like, “If there is such a thing as leadership, what then, are leaders' issues, styles, approaches and skills?” So while Maslow talked about enlightened management, now we must think in terms of enlightened leadership. He certainly would have.

OK, enough history.

Maslow advised that we could and should assume that all our people have the impulse to achieve; that everyone prefers to be a prime mover rather than a passive helper; that everyone wants to feel important, needed, useful, successful, proud and respected; and that people have a tendency to improve—and are improvable. That, then, is the context. We are all leaders and need to develop our teams and ourselves as such.

The illiterate of the 21st century

In his classic book, *Future Shock*, futurist Alvin Toffler warned, “The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn.” What we have only begun to unlearn is that reliance solely on technical skills is a formula for failure. Have we begun to deal with the all-important soft skills? Yes. Have we begun to emphasize them, nurture

(continued on next page)



Career Coach Eli Amdur is adjunct professor of executive communication and leadership and senior executive fellow for leadership and talent development in the MBA program at Fairleigh Dickinson University in Teaneck, N.J.

eli@wellmanagedcareers.com
(201) 836-7634



Interpersonal Skills and People Management • continued from prior page —

them, develop them? Yes. But have we really redefined and rethought these issues? Have we really relearned? No, not yet.

Getting back to Maslow's context, as enlightened leaders, I submit there is a higher level at which we must address these issues: talent. Skills are the trees; talent is the forest.

Talent management—a key corporate strategy

A funny thing happened on the way to the 21st century; corporate leaders discovered the idea of talent management. In its summer 2004 newsletter, The Conference Board, referencing its recent study of 75 HR executives, says, "Talent management, a relatively new and increasingly popular human resources area, is becoming a major part of corporate strategy."

Relatively new, indeed! That, in essence, is the point. As Albert Einstein told us, "The significant problems we face cannot be solved at the same level of thinking we were at when we created them." We are only beginning to reach the levels of thinking that will redefine how we develop our businesses, our very occupations. But here's the rub. There is no agreement on what talent really is, no unilateral definition, no axis points, no profile. But as more than one executive has told me, "I know it when I see it."

"You can observe a lot just by watching"

There are a lot of good reasons we all love Yogi Berra. But Berra was not the first to assign value to the process of observation. Swiss child psychologist, Jean Piaget, who developed a huge body of knowledge simply by observing his three children, influenced the fields of psychology, sociology, education, epistemology, economics and law. It is only logical, then, that we use the same technique to develop an understanding of or a description of talent, rather than to try to construct a strict definition of it. And that's exactly what's going on.

Most executives I have surveyed begin the discussion on talent with one of these words: potential, capacity, capability, aptitude and ability. See the point? Not a measurable entity in the lot. But they know it when they see it.

So where, I ask, do all those skills come in to play? And what, you might now ask, is my point about all this?

Talent or experience?

"I'd rather have a lot of talent and a little experience rather than a lot of experience and a little talent," explained John Wooden. With that, the "Wizard of Westwood," indisputably the greatest coach in any sport, let alone basketball, led UCLA in the 1960s and 1970s to unprecedented—and still unmatched—team success. He recruited talent; he developed the experience. Make no mistake; Wooden considered skills important. They were at the very center of the 14 building blocks in his "Pyramid of Success," the road to competitive greatness. Wooden got it 40 years ago; we're just getting around to getting it now.

Assessing others—be careful!

The overarching lesson is that, to reach competitive greatness, a leader's obligation is to develop talent by doing two things. The very first responsibility is to make a clear distinction between what someone has done and what that person possibly can do. "We judge ourselves by what we're capable of doing, but others judge us only by what we've done," said Henry Wadsworth Longfellow over a century and a half ago. From America's most beloved poet, from days long past, comes a great business lesson for the 21st century: look for potential, capacity, capability, aptitude and ability.

The leader's second responsibility, it follows, is to facilitate the development of that talent. Make it happen, in other words.

Neither is easy. Recognizing talent and then doing something with it are both formidable challenges. The first requires some innate talent of your own; recognizing talent is a talent itself. You can draw up guidelines, such as looking at performance and inductively deciding what talent(s) that person has that led to that performance, but at the end of the day, you either will spot talent or you won't. The second responsibility, however, can be mapped with more certainty.

The very first responsibility is to make a clear distinction between what someone has done and what that person possibly can do...

...The leader's second responsibility, it follows, is to facilitate the development of that talent.

Interpersonal Skills and People Management • continued from prior page—

Victorious warriors

How do we become competitive? How do we win? Sun Tzu, a Chinese military strategist in the fourth century B.C. said, “Victorious warriors win first and then go to war, while defeated warriors go to war and then seek to win.”

Permit me to inject a thought of my own, and then we’ll get back to Sun Tzu. I believe there are eight drivers of talent development: vision, organization, leadership, selection, inclusion, parallels, alignment and communication. An enlightened leader should be comfortable answering questions about each of these drivers:

- **Vision**—How clear is yours? Can your employees articulate it?
- **Organization**—Is your organization structured to accomplish its goals?
- **Leadership**—Are you developing today’s leaders? Tomorrow’s?
- **Selection**—Do you have not only the right people for the jobs, but the best?
- **Inclusion**—Are your people empowered to carry out the mission?
- **Parallels**—Are the organization’s goals parallel with those of its people?
- **Alignment**—Are you, and all parts of the organization, moving at the same speed?
- **Communication**—Is it encouraged? Is it active? Is it 360°? Do you do it well?

Embedded deep within these drivers is a commitment to the development of those soft skills, those interpersonal skills we keep talking about: communication, persuasion, influence, negotiation, relationship building, team building, creating synergy, delivering training, fostering diversity, mentoring, managing change, recruiting, motivation, creativity.

As a business leader today, Sun Tzu would put in place all those strategies, resources and programs his talented people need. He would, for example, ensure that all his people share his reason for being part of the organization. He would create a robust learning organization with a strong knowledge management function because it’s not just what you know, it’s what you do with what you know. He would develop leaders to succeed him. And so on.

But the fundamental reason Sun Tzu would do all this would be his enlightened understanding that the greatest asset an organization has, after all is said and done, is talent. Develop talent, and you develop the continuous ability to grow, to compete and to succeed. Talent is the only asset that change does not overtake. Sooner or later, change will overtake products, services, technology, structure, systems and processes. It will not, because it cannot, overtake talent.

Past, present and future

“Let the path be open to talent,” demanded Napoleon 200 years ago.

And the good Professor Einstein taught us, “The distinction between past, present and future is only a stubborn, persistent illusion.” The enlightened view, the view of the future, emphasizes interpersonal skills, soft skills, business savvy skills—in short, talent. Finally, leaders are shaking off that stubborn, persistent illusion.

At the end of the last century, *Life* magazine, in a special issue, named Bob Dylan as one of the 100 most influential Americans of the 20th century, and said of him, “Dylan knew what we all know; he just knew it sooner.” So what did Dylan know? What did he say?

*The line it is drawn the curse it is cast
The slow one now will later be fast
As the present now will later be past
The order is rapidly fadin’.
And the first one now will later be last
For the times they are a-changin’.*

Get it? □

**Develop talent,
and you develop
the continuous
ability to grow,
to compete and
to succeed.**



Actuary Morphs Into A Coach • continued from page 15

are out of work or are soon to be identified as redundant. These are the people who can benefit most immediately by developing some or all of the skills noted in the previous paragraph.

My primary direction in coaching will be to focus on actuaries who want to upgrade their business savvy skills, either inside or outside their current career.

Looking Forward

“The greatest good you can do for another is not just share your riches, but to reveal to him his own.”
—Benjamin Disraeli

Coaching is a relatively new profession, but it already has a rich literature dedicated to the

most effective methodologies to move people to greater levels of growth and fulfillment in their lives. In the co-active coaching model that I have described, it is interesting that each coach/client relationship is customized to that client’s needs—reminiscent of a universal life approach.

The coach’s challenge is to bring their coaching toolkit, as well as their own life skills, to bear on each situation in order to help the client. This leads to my newly updated mission statement:

“To help actuaries and others achieve greater levels of career and personal satisfaction.” □

Chairperson’s Corner • continued from page 3

Ethical behavior is still critical. The complexity of the financial services industry can make it easier to take advantage of the consumer or the shareholder. Actuaries still have a role to protect the shareholder and the consumer.

Our work is still very interesting. Using our skills to solve a wide variety of business problems is fun!

What will the future look like?

Given the direction of interest rates over the last 20 years, I’m predicting that in 2011, interest rates will range between minus 5 percent and plus 25 percent.

In addition to that, I expect the pace of change to continue to accelerate. We will be challenged to keep up with the change and to increase our comfort with ambiguity.

The retirement of the baby boomers will change the world in ways we can’t imagine. This will have a tremendous social and economic impact. Will retirement, as we know it, go away? Will the stock market crash and interest rates plummet as the baby boomers move their money to more conservative investments? Will retirement and health systems crumble under their weight? I don’t know ... but actuaries will be key players in meeting these challenges. □

THE MANAGEMENT AND PERSONAL DEVELOPMENT SECTION TEAM



Jennifer L. Gillespie, FSA, MAAA
Continuing Council Member
2003-4 Vice Chairperson
jennifer_gillespie@
bluecrossmn.com



Vincent Mace, Jr., FSA, MAAA
Continuing Council Member
2003-4 Spring Meeting Rep
vince.mace@wellpoint.com



David C. Miller, FSA, MAAA
Continuing Council Member
2003-4 Council Member
Dave@TransLifeCoach.com



Alan J. Sheptin, ASA
Continuing Council Member
2003-4 Annual Meeting Rep
alan_sheptin@mony.com



Daniel L. Shinnick, FSA, MAAA
Continuing Council Member
2003-4 Chairperson
dan_shinnick@aal.com



Lois Chinnock
SOA Sections Manager
lchinnock@soa.org



Sim Segal, FSA, MAAA
2004-5 Newsletter Editor
Retiring Council Member
sisegal@deloitte.com



David S. Duncan, FSA, MAAA
Retiring Council Member
2003-4 Secretary
dduncan@klife.com



Larry J. Jackson, FSA, MAAA
Retiring Council Member
2003-4 Treasurer
ljackson@inc.com



K.H. Kelly Rendek, FSA, FCIA
Retiring Council Member
2003-4 Council Member
kelly_rendek@cooperators.ca



Vincent Granieri
Newly Elected Council Member
vince@integratedadvantage.com



Gail A. Hall
Newly Elected Council Member



Faisal Siddiqi, FSA, FCIA
Newly Elected Council Member
faisal.siddiqi@towersperrin.com



Sudha Shenoy, FSA, MAAA
Newly Elected Council Member
sudha.shenoy@anthem.com



SOCIETY OF ACTUARIES

475 North Martingale Road • Suite 600
Schaumburg, Illinois 60173
www.soa.org

