



The Stepping Stone

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From the Editor

Fulfilling the Pledge... and Continuing the Mission

by Sim Segal

One year ago, in my first of four issues as editor, I pledged to try to provide at least one article in each of the five topic categories that are the focus of our section. The five categories are:

Management

1. People management (leadership, recruiting, etc.)
2. Business management (decision-making, etc.)

Personal Development

3. Career development (marketing yourself, interviewing, etc.)
4. Communication skills (presentations, writing, listening, etc.)
5. Interpersonal skills (negotiation, influence, etc.)

I am pleased to say that we have been able to fulfill this pledge. I hope you have enjoyed the past four issues as much as we have enjoyed bringing them to you. I want to thank those that contributed articles over the past year, with a special thanks to Mary Pienkowski of the SOA, whose abundant patience was critical to delivering a quality newsletter to you.

I am handing over the role of editor to the very capable David Miller, who plans to continue the pledge of providing a diverse range of topics. David has been a regular contributor to this newsletter, and I know many of you have enjoyed his articles. Please continue your support of this newsletter by contacting David and offering to contribute an article.

I was encouraged by the number of people taking me up on my offer in the last issue to provide my list of resources on business savvy skills. I hope you all find this useful, and I look forward to your feedback. Anyone still interested in getting this list can contact me at sisegal@deloitte.com.

Though I have completed my three-year term on this section, I will remain a "friend of the section." As such, I plan to serve as the section's liaison to the SOA publication *The Actuary*, which is looking to add management content. I am also planning to organize and moderate a session entitled "A Disciplined Approach to Creative Product Development"—a joint session with the Product Development Section. I also will be continuing with other volunteer activities related to the work of this section, including service on the SOA Governance Committee and on the SOA Task Force on Nominations and Elections.

I have thoroughly enjoyed my service on this section council and I am proud to have served with such a terrific group of fellow council members. I encourage those of you considering service on a section council to run for election to our section council. As the SOA is getting more focused on business savvy skills and the future image of the actuary, our section only continues to grow in importance. □



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Chairperson's Corner

by Daniel L. Shinnick



Chairperson

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Do you wish you could be more effective? Would you like a few keys to being effective? In the June 2004 *Harvard Business Review*, Peter Drucker wrote an article titled "What Makes an Effective Executive." As I read it I realized that it applies to all of us, not just executives. Applying these practices will make us better actuaries regardless of the level we're at.

There are eight key practices to being an effective actuary:

Develop Knowledge

1. Ask "what needs to be done" not "what do I want to do."
2. Ask "what is right for the organization" not "what is right for my boss, the owner, shareholders or employees."

Convert Knowledge into Effective Action

3. Write an action plan.
4. Take responsibility for decisions.
5. Take responsibility for communicating.
6. Focus on opportunities rather than problems.

Create an Atmosphere of Accountability and Responsibility

7. Make meetings productive.
8. Think and say "we" rather than "I."

Ask "what needs to be done" not "what do I want to do."

Take this question seriously—ask it of yourself regularly. Don't just do what comes on your plate, but think about what the most important things are. Pick one or two and FOCUS on them. Focusing on multiple priorities is an oxymoron. When you complete your top objective, ask the question again, for the world may have changed.

Ask "what is right for the organization" not "what is right for my boss, the owner, shareholders or employees."

We spend too much time trying to guess what the boss wants, or what will make the board happy or make our colleagues happy. We need to concentrate on what is right in the long-term.

Obviously, the shareholders, employees and executives are key constituencies that need to be considered. But a decision that isn't right for the enterprise will ultimately not be right for any of the stakeholders.

Write an Action Plan

Knowledge is useless unless it can be translated into deeds. Before you start working, identify the desired results, restraints, check-in points and implications. Ask yourself, what will I commit to, with what deadlines? Your plan needs to be flexible enough to deal with new opportunities, changes in the environment and unexpected happenings. This action plan becomes the basis for your time management (or it will prove useless).

Take Responsibility for Decisions

Making good decisions is a crucial skill at every level. We need to be willing to make decisions and be responsible. A decision has not been made until people know:

- The name of the person accountable for carrying it out;
- The deadline;
- The names of the people who will be affected by it and therefore have to know about, understand and approve it; and
- The names of the people who have to be informed of the decision.

Following these simple steps will make decisions stick and result in better implementation.

Take Responsibility for Communicating

It is important that we make both our action plans and information needs understood. We need to share our plans with our superiors, colleagues and subordinates. Ask for comments, make sure they understand what you expect from them and what you will deliver. Make sure you understand your peers' and superiors' information needs.

**Knowledge is
useless unless it
can be translated
into deeds.**

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Why Should I Follow You? Four Tests of a Leader

by David C. Miller

Are you an independent professional who knows your success depends upon leading other professionals? Maybe you lead a consulting practice group, a division in your company, a sales team, a down line or employees of your own business. In any case, winning the power to lead others is no easy task and must be earned.

You must meet some stringent criteria before you can obtain effective influence. Your potential followers are sure to be asking the question: “Why should I follow you?” According to David H. Maister, author of the book *True Professionalism*, four tests must be met for a leader to answer this question.

1. Motives

A follower will only accept your influence and direction if you give them evidence that you’re primarily committed to the success of the group, rather than your own success. Your primary task as leader is helping others succeed. If a follower doesn’t trust your motives, nothing else will matter because the most important thing is your integrity.

How do you convince a follower that your motives are good? Simply put—your actions will speak more loudly than your words. Do you make it a habit of helping others on the team in terms of time, support and ideas—even when there are no immediate benefits to you? Are there examples where you put another person’s interests first? What’s your track record as a team player? Do you keep everyone in the group informed? Do you take the time to teach and coach?

2. Values

If a follower is comfortable with your motives, the very next thing they want to know is “What are your core values?” They will accept your influence, guidance and direction if they believe they share similar goals with you—ones that inspire them. People want to follow a leader who has crystal clear values that they act on. They want to be led by a person of principle, not by someone who is driven by expediency.

Again, they will look at your behavior to decide what your values are. Did you ever incur personal cost to stand by your values? Did you ever turn away a prospect, work or an invitation to propose because taking it on would violate your code of values? For example, maybe taking on this new assignment would overload the group and the quality of the work would suffer—what do you do in those situations? Some practice leaders feel that you never turn away any revenue as long as an “adequate” job can be done. You’ve just sent a message! Are you practicing what you preach?

3. Competence

Next, if a follower is to listen to you, they will require you to have constructive new ideas on how to improve things. It’s often said that leaders must have vision. But isn’t vision the easy part? “Let’s be the best, work as a team, provide superior service”—the words are always the same! What’s hard is coming up with innovative approaches that will help the team achieve these goals!



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**You must meet
some stringent
criteria before you
can obtain effective
influence.**

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Managerially Speaking: So What Have I Learned?

by Marcel Gingras

After working in executive level roles for several years, I decided to start my own management consulting business. During the time I spent in management, I learned that managing and leading people can be fun and in the end, it should be pretty simple. Unfortunately, a lot of people have tried to turn management and leadership into what it was never really meant to be, i.e., the application of complex principles that appear to be recreated with passing generations of management gurus. My view is that management principles should be simple and withstand the passage of time.

In this article, I cover four basic principles I have developed over the years and I have affixed a label to each one of them for ease of communication.

High Deltas are Bad News

I have always been amazed that some people seem to behave very differently depending on circumstances and the people they are dealing with. I have observed several people who appeared to be so nice and accommodating with me, as their leader, and yet I might hear that they were miserable to deal with from the point of view of their subordinates or their peers. Then, I started to refer to such people as having a high differential or high delta factor.

For example, estimate on a scale of one to 10 (10 being the nicest someone can be) how nice John, one of your managers, appears to be when dealing with you as his boss and call this the 'B' factor. Then, measure on the same scale how nice John is when dealing with his subordinates and call this the 'S' factor. Then the delta factor is simply B minus S and the result can be either positive or negative.

Let us assume that John is very nice to his boss and has a B factor of nine and is not so nice to his subordinates and has an S factor of three. Then, John's delta factor would be equal to six.

Likewise, Mary is very difficult to deal with from her boss' perspective and has a B factor of four; however she is very easygoing with her employees and has an S factor of eight. Then, Mary's delta factor is negative-four.

So, as a manager would you prefer to have John or Mary as one of your direct reports? In my view, I don't really want either of them. It is likely that John is 'acting' when he is dealing with me and he is telling me what I want to hear and he may even praise me excessively to feed my ego. John is likely to be a dictator when dealing with his subordinates and expect total obedience from them. In total, this is a pretty bad mix.

What about Mary? Well, Mary may be one of these managers with a 'bunker' mentality. She will fight tooth and nail for her employees, trying to resist changes that may be suggested by her boss and will likely be very popular with her own employees. Mary is likely to go back to her subordinates and tell them how 'they' (senior management) are trying to impose changes on her and how she is fighting for her employees.



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So What Have We Learned?

So, make no mistake, high deltas, whether positive or negative, are not good for your organization. More than likely, you have some in your own organization. The tricky part is to find them!

Rule of three

As I moved up the corporate ladder, I found it more and more difficult to make an accurate assessment of people or situations, simply because of lack of exposure. Some of my direct reports were in a different location and typically they would at least be on a different floor. It was even worse when it came to forming an opinion on people who did not report directly to me, just because of the lack of exposure. Then, the question of how much information is needed to form an opinion becomes critical. Forming quick judgments based on one incident is typically unfair, as I might not understand everything around the issue that came to my attention. Waiting forever to form an opinion and take action is called procrastination. Then, my compromise became the so-called rule of three.

In its simplest form, the rule of three works as follows. The first time I heard something negative about somebody or about one aspect of somebody, I just made a mental note. I would try to disregard the information on the basis that the information provided to me might have been incomplete. The second time I heard something similar, I would really get interested as I felt there was probably a 90 percent chance that the information might be accurate. The third time, this became my new reality and I would take action or push for appropriate action.

This may sound somewhat drastic, however the point is that as a senior person you can't be so quick that you are unfair to people and you can't be so slow that you feel you never have enough information to form an appropriate judgment.

Rewiring Your Subordinates

I have always been amazed that managers feel they may engineer major personality changes to the people reporting to them. My experience is that such changes are very unlikely to happen and if they happen, they happen for short periods of time. Every one of us is wired a certain way, due to genes, culture, family environment and life experience in general. So, how much time should you spend rewiring your subordinates?

I am a strong believer in training, especially in the early stages of people's careers. Training creates awareness and allows people to discover more quickly what might otherwise take years to learn. However, there is a huge difference between training people to do things a certain way and expecting people to have major personality changes.

As an example, I have sat through several succession-planning sessions. This is typically the best forum to observe people dreaming in color regarding what employees need to do to become better managers. Sometimes people would mention that Tom could be a great manager except for the fact that he is a very poor communicator. Then someone would suggest that Tom should take a communication course. Sometimes I would ask 'How old is Tom and how long has he been managing?' People would sometimes push back and ask why my question was relevant. Well, Tom might have been 50 years old and he might have been a manager for 15 years. Essentially, my view was that at 50, Tom was not likely to be rewired and after 15 years as a manager, he should have already figured out how to communicate, assuming that he had the proper attributes to be a good manager. Had Tom been 31 with one year of managerial experience, I would have been much more receptive to give training or coaching a fighting chance to create some major improvement.

People come with their strengths and weaknesses. You don't have to accept all their weaknesses. You still have to try to cause incremental improvement among your subordinates or make a personnel change if their weaknesses are more than you can tolerate. However, I have always had greater success leveraging people's strengths rather than expecting their weaknesses to disappear.

So, how much rewiring do you really think you can create? How much rewiring do you really believe you can create on yourself? Don't expect too much more from others!

Marriage does not (generally) improve your future partner

Before we get into a debate on this topic, read on!

The area I want to cover is recruiting. I must admit I have seen a lot of poor recruiting in my career, including some I have done. Generally,

Training creates awareness and allows people to discover more quickly what might otherwise take years to learn.

So What Have We Learned?

disappointing recruiting is the result of one of several factors including poor interview techniques, improper reference checks, the lack of care to help the newcomer fit within the organization, and last but not least, the belief that the person will change somewhat once on board. It is this last point that I wish to address.

Imagine this scenario: Your VP Finance and CFO resigned in July. You started a search immediately with the expectation that you should have someone available within a couple of months. It is summer time and it is difficult to schedule meetings, so now it is late October and year-end is fast approaching! You finally have a short list of three, but the first candidate is much stronger than the other two. Number two might do the job, but you are not sure and you are not keen on number three. You make an offer to number one who decides not to accept it. So, now you decide you should go with

number two, Jane. You do more in-depth reference checks and find out that Jane has a history of being difficult to manage because she has a knack for upsetting people around her. Sound familiar? What do you do? Well, now it is mid-November and year-end is really close.

So, what is the compromise? Often times, the compromise is that you will hire Jane, but you will really coach her to be more accommodating, so that she will stop upsetting people in the future. You probably know it will not happen, but after a while you convince yourself that it will really happen. Jane comes on board and soon she upsets a whole bunch of people and your life is miserable. So, are you really surprised?

As I said earlier, don't expect marriage to substantially improve your future partner! ☐

'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.

Chairperson's corner • from page 3

Focus on Opportunities rather than Problems

Problem solving has to be taken care of, of course. But problem solving, however necessary, does not produce results. Systematically look at change inside and outside of the organization and ask "how can we exploit this change as an opportunity for our enterprise?" Focus your best people on the opportunities rather than on problems.

Make Meetings Productive

For many of us, more than half of our days are spent in meetings. Even a one-on-one conversation is a meeting. So, how can we most effectively use this time? First, before every meeting decide what kind of meeting it is (decision making, information sharing, information gathering). Then decide what the outcome should be (a documented decision, an assignment, a summation of the input, consent, etc.). While in the meeting, stick to its purpose and stay focused. Finally, and maybe most importantly, after the meeting document and share

the outcome with all key audiences (finally, a good use for e-mail). Make sure assignments, due dates and owners are identified.

Think and say "We" rather than "I"

Organizational effectiveness is dependent upon trust. If we don't trust each other and believe that we are in this together we will fail. As actuaries, we need to be especially careful about making sure the "we" is organization-wide and not "we smart actuaries" versus those "stupid senior executive, sales people, marketers, etc."

Final Thoughts

These eight key practices are not rocket science, but they require significant self-discipline. I challenge you to take these practices to heart, spend an hour this week figuring out how you will apply them to your work, then commit to applying these practices for the next week. I bet you will find yourself to be more effective, productive and satisfied at work, good luck! ☐



Good Business: Leadership, Flow and the Making of Meaning

by Gerry Fryer

This is a review of Mihaly Csikszentmihalyi's remarkable book, Good Business: Leadership, Flow and the Making of Meaning.

The author, who introduced the concept of flow in 1975, now extends its application to the role of business in society. He describes the new work as “a guidebook for a way of conducting business that is both successful and humane,” focusing on “how leaders and managers and...employees...can learn to contribute to the sum of human happiness, to the development of an enjoyable life that provides meaning, and to a society that is just and evolving.”

These are lofty goals indeed. But Csikszentmihalyi argues that the centrality of business in today's world—it controls vast resources and has a disproportionate say in the governance of nations—makes his endeavor an essential one. Further, he suggests that some of the strains now appearing in the free market model—for example, excessive greed, unethical practices and the exploitation of inequities among workers around the globe—may threaten its primacy, unless an improved model can be developed, one in which other elements beyond achieving short-term financial returns become markers for success.

Good Business was based on an extensive tri-university research project that utilized interviews with 39 “visionary business leaders” who modeled the desired behaviors. They ranged from Sir John Templeton to Anita Roddick of The Body Shop to Leon Gorman, chairman of L.L.Bean, and are quoted extensively throughout the book.

Happiness: Not So Simple

Csikszentmihalyi begins with an examination of happiness itself, as anchored in the work of Abraham Maslow in the 1960s and others in the field of positive psychology since then. People can find happiness in the basics of food and shelter, then in security, all the way up to the holy grail of self-actualization, which is when they are using the full complement of their talents to succeed, to innovate and to grow.

Organizations with happy people are demonstrably more productive and have higher morale and lower turnover; therefore leaders need to know how to develop the conditions that produce happier employees.

The visionary business leaders broadly agree on this simple proposition: “To be successful you have to enjoy doing your best while at the same time contributing to something beyond yourself.” Breaking this statement into its parts, we are all unique, but integrated beings. Each of us has particular strengths and opportunities for development and is responsible for our full development. However, as we are connected irretrievably with other people and entities, we must live our lives in harmony with that reality as well. Success in these two realms, according to Csikszentmihalyi, makes a person a “complex” individual, a person with the best chance for happiness and a life filled with meaning.

Flow is a special kind of happiness or enjoyment. The author is able to cite wide-ranging examples of people who experience flow—mountain climbers, stay-at-home mothers, workers in ostensibly boring jobs, and then the visionary leaders who are at the core of the book.

What happens when people are in flow? Csikszentmihalyi's research has shown that there are many common elements:

Goals are very clear...there is total immersion in the activity...you get immediate feedback throughout... deep concentration and focused attention, sometimes to the point of ecstasy...a sense of inspiration and harmony... it's challenging but your skills are up to it... you are in total control...distortion of the passage of time...a loss of ego in favor of the task at hand...it leads to personal growth.

A flow activity is intrinsically rewarding—it is worth doing for its own sake, whether or not it involves monetary reward. Experiencing flow, says Csik-szentmihalyi, contributes to our happiness and improves the quality of our existence.



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Flow experiences are not merely circumstantial ... the sheer number of such experiences, particularly in the business environment, can be engineered much higher, to the betterment of all.

Good Business: Leadership, Flow and the Making of Meaning

Flow Applied to Business

It is the central conceit of *Good Business* that flow experiences are not merely circumstantial; that the sheer number of such experiences, particularly in the business environment, can be engineered much higher, to the betterment of all. Surveys in the United States and elsewhere show that more than 80 percent of adults do not experience flow on a regular basis. The potential for increasing flow and enjoyment in the working population is immense.

Flow experiences, with their balance of challenges and skills, lead to ever more refined skills and/or a fuller understanding of the subject at hand. If leaders and managers can design jobs to make workplaces more amenable to flow, there will be major benefits for the organization and for employees. The best way to manage people is to create an environment where employees enjoy their work and grow while doing it.

Csikszentmihalyi draws a vivid parallel to our hunter-gatherer ancestors, who may well have experienced work as flow—which one realizes by visualizing their work situation and looking back at the common elements listed above. Flow opportunities have diminished in today's workplace because purpose or goals can be ill-defined, feedback may be inadequate, skills are not often well-matched to opportunities for action, and many workers are not in control of the final result.

"The ideal organization," says Csikszentmihalyi, "is one in which each worker's potentialities find room for expression." The leader becomes an enabler, rather than a doer, in this environment. The prerequisites for flow to emerge are as follows:

1. From top management, commitment to an environment that fosters flow.
2. An overriding purpose or mission for the organization.
3. Continuous communication of this throughout the organization.
4. Clear performance goals at all levels.
5. Good feedback mechanisms.
6. Matching of challenges to skills.

Beyond Mission and Vision

Anyone who has been involved in strategic planning is aware that the highest level of a plan is its vision statement, in which the organization defines the future state it wishes to work toward. Csikszentmihalyi wants us to go one step further and capture the vision's motivating force, something he chooses to call the soul of the organization. This is the most powerful, if difficult, section of the book.

Two examples of organizational soul are attempting to achieve excellence and doing something of benefit to others. Properly conceived and applied, these kinds of overarching goals can galvanize a company's workers in a way that the financial bottom line cannot. In Csikszentmihalyi's words:

"The search for a life that has 'relevance or meaning'...is the primary concern of soul. This is...the need that motivates us to become part of something greater or more permanent. If a leader can make a convincing case that working for the organization will provide relevance...then his vision will generate power..."

If...a vision is genuine and is carried into action, it becomes a powerful attractor for members of the organization. It provides a goal that is worth pursuing over and above the extrinsic rewards that can be provided by the job."

How Can You Use This Book?

- Think about the occasions when you have experienced flow in the past—when they occurred, what you were doing, whether at work or not—and use them as a springboard for increasing future flow opportunities.
- Consider how you can contribute to the prosperity of your current or future organization, beyond the financial bottom line, and begin to act upon your ideas.
- As a manager or leader, put in place more of the prerequisites for flow in your organization.
- As an employee, try to get goal clarity and better feedback—or consider finding an organization that will provide them. Find work that matches challenges to your skills, as well as growth opportunities that will meet your increasing competencies.
- Read *Good Business* yourself if you have been intrigued enough by this review—and has many more riches than I have been able to describe.
- If you find any of the areas that Csikszentmihalyi delves into particularly compelling, use his Notes and References to do further reading, or hire a personal coach to help you on your own journey to greater happiness. □

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The best way to manage people is to create an environment where employees enjoy their work and grow while doing it.



Managerially Speaking: The Suboptimization of Optimization By Function

by Marcel Gingras

Every corporation must decide how to best organize specific functions within its organizational structure. At one end of the spectrum, very small organizations have little choice but to have several functions performed by the same person, as sometimes there may be only one person in the organization. At the other end of the spectrum, very large corporations have a variety of choices as to how best position specific functions within the organization. Companies may choose to have small units perform several functions, such as application software development and accounting, as part of their overall mission. Alternatively, they may choose to extract all functions that appear to be common to several units and move these to one area specialized in that specific function. Then, this area services all units or a subset of units within the corporation.

Every organization has to decide on the optimal mix for all common functions and it will vary depending on the needs and characteristics of the organization and it may need to evolve over time. It is my view that for some organizations, the mix of centralized versus decentralized functions has moved too far in the direction of centralization.

This article reviews examples of centralization decisions being made, the appeal for greater centralization, the reasons why centralization may not always be as optimal as it appears to be and, as a conclusion, how you should decide what is right for your own organization.

Examples of centralization versus decentralization decisions

For the purpose of the following examples, let us assume a three-level structure, such as company level divisions representing the major operating units, support areas such as finance and human resources and lastly departments representing functions within divisions.

Example 1—Technology: Most organizations tend to provide architecture and network support at the company level. However, application software development and maintenance support may reside at the department level, the division level or at the company level. Sometimes organizations move this function to the company level in order to gain greater efficiency.

Example 2—Shared services: Many organizations have moved to a shared service model, sometimes on a national basis, quite often on a North American basis or on a global basis. Again, the logic behind this is that greater functional centralization will lead to greater efficiency and lower costs.

Example 3—Outsourcing: Outsourcing has existed for a long time. However, over the last few years, we seem to have witnessed an increasing trend toward outsourcing of major functions such as software development, network support and entire human resources transactional functions. In many cases, the basis for such decisions may be a desire for greater efficiency that will be reflected in short- to mid-term savings through very appealing financial arrangements.

The appeal for greater centralization

There are several reasons why organizations choose to centralize functions to a greater level than they already exist. Several of these reasons may be quite legitimate and may result in real efficiency gains while some of the reasons may be more open to challenge.

1. Greater efficiency. Essentially, the belief is that by moving specific functions under one specific individual, this function will be performed much more effectively than if the function resides under several individuals who may be wearing many different hats.



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Every organization has to decide on the optimal mix for all common functions and it will vary depending on the needs and characteristics of the organization and it may need to evolve over time.

The Suboptimization of Optimization By Function

2. Greater uniformity. By having the same function, such as technology, delivered under one organizational umbrella, it may cause greater uniformity in process and tools.
3. Easier training. Again, by having the same function performed by one part of the organization, it is felt that it will be easier to put together training programs that can be better leveraged than if each department or division has to train its own people.
4. Greater access to professional development opportunities. In many organizations, professional people believe that they may have greater opportunities if they work in large departments with several similar people. This would be true of finance, technology, legal, actuarial and human resources staff among others.
5. Greater control. Many people believe it is easier to control quality through centralization of as many processes as possible and by assigning responsibility of that function to a division head responsible to deliver that specific function.
6. Cost savings. Last but not least, an important driver for centralization, in my mind, is the appeal for real or assumed cost savings due to some of the factors listed above, mostly short- and mid-term savings.

Why optimal is not always optimal

There is no argument that some level of centralization is required. The issue is not whether centralization is desirable, but rather whether excessive centralization may be hurtful to the organization, despite the obvious appeal for greater centralization.

In my view, several factors explain why some of the centralization decisions are made for the wrong reasons:

1. Typically, functional decentralization involves double line reporting to a divisional boss and to a functional boss. Not everybody can evolve in this environment.
 2. Linked to the first factor, heads of functional units such as technology, legal and finance may prefer to have maximum control and may therefore resist sharing the
- power with heads of operational divisions and functional heads within these operational divisions.
3. Typically, more well-rounded people are required to operate in a decentralized environment, i.e., managers and workers need to have a better understanding of diversified disciplines than under a functional centralized model where depth of functional expertise is favored.
 4. It is easier to measure the functional improvements created through centralization than it is to measure the inefficiencies created by the additional complexity of integrating various functions within a centralized organizational model.
- Centralization decisions sometimes ignore the following factors:
1. A decentralized model tends to favor greater team accountability, i.e., accountability resides closer to the people performing the work.
 2. Decentralized models tend to foster greater creativity, i.e., people can see their way through implementing new ideas more easily. Points of decision tend to be fewer and closer to the action. Theoretically, the organization model should make no difference when it comes to creativity. However, my past experience indicates that it makes an enormous difference; however, few people can measure it, let alone understand it, so it tends to be ignored.

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The issue is not whether centralization is desirable, but rather whether excessive centralization may be hurtful to the organization, despite the obvious appeal for greater centralization.

Senior Executives: What ARE They Thinking?

by Daniel L. Shinnick

On October 26 over 100 of your colleagues were treated to an excellent session at the Annual Meeting featuring leaders from the industry. David Atkinson, president and CEO of RGA Reinsurance Company, Patricia Guinn, managing director of the Tillinghast and reinsurance businesses of Towers Perrin, Bruce Nicholson, president and CEO of Thrivent Financial for Lutherans, and Salim Manzar, executive director of Princeton Advisory Group—formerly was senior vice president & chief financial officer of MetLife International. They shared their insight on dozens of questions submitted by the audience.

What are the keys to your success?

All the leaders felt fortunate to be in the positions they were in. Having multiple experiences at their organizations as well as at other organizations was very important to each of them. Obviously, a strong work ethic was a trait they all shared. A couple noted the importance of having a good mentor that helped them move from being good technical actuaries to being leaders.

What skills did you need to develop to move from a technical actuary to a leader?

The big change from being a good technical actuary to being a good leader is understanding how to get work done through others. What makes us successful exam takers and entry-level actuaries is our ability to individually deliver results. Moving to the next level requires great delegation skills, the ability to work through others and the ability to communicate with non-technical colleagues. Another area that is important is to be able to see things holistically, not just from the actuarial point of view.

Why aren't actuaries considered for senior management as much as they used to be?

Competition is a major factor. As the financial services industry (not just insurance) has con-

tracted over the last 20 years, there has been a significant increase in the number of qualified people for a decreasing number of jobs. The pace of change created by moving to more accumulation products and the demutualization of the majority of the industry has led to traditional actuarial skills being less valued. The business world is much more ambiguous than it used to be and some actuaries struggle with a world that isn't black and white.

How should staff tailor its communication for you?

Focus on the key points, don't tell me how you built the watch. Avoid the 50-page PowerPoint presentation. Speak in my language; position your communication in the context of what else is going on in the organization. Realize your issue isn't the only one I'm dealing with today. Use my time effectively, be clear about what you want to accomplish in the meeting and what you want me to do.

How do you say "no" to a senior executive?

Communication before the fact is critical. You should help us understand the issues so that it doesn't get to the point that you are saying no, but instead we are. You need to make sure you understand the whole context, then you may realize why the answer can't be no. It's better if you can come with alternatives that will help us achieve our objectives than if you just say no. Given all that, there still may be times you feel that as an actuarial professional you must say no. Make sure that you pick your battles and this is really one of those situations. In the end it is not your decision, if senior management still does what you have advised them not to do, document your concerns and in situations where they apply, follow actuarial professional guidelines.



Chairperson

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Focus on the key points, don't tell me how you built the watch.

Senior Executives: What ARE They Thinking?

How do you get non-actuarial leaders to listen to you?

The first step is to appreciate and respect them and the skills they bring to the table. They know things and can do things you can't. Work to understand their perspective. Also, speak in a language they understand. Most of you probably don't know what a "Ben Duffy" is, but your sales people do. So why should we expect them to know what a CSO is? Build relationships with these people before you have to "get them to listen to you." Finally, help them understand why what you have to say is important to the

organization and important to them (not why it is important to you).

What advice do you have for young actuarial professionals?

Be curious, try new things, volunteer for new assignments. Realize that there is more to being successful than just passing actuarial exams. You need to be able to work with others, communicate to non-actuaries and accomplish things through others—all skills that you need to develop in addition to being technically strong. □

The Suboptimization of Optimization By Function • from page 11

3. Centralized models sometimes ignore the fact that clients are looking for greater integration as opposed to optimal efficiency by function. Clients tend to favor single points of contact with single points of accountability. Centralization sometimes goes against this flow. Centralization does not automatically result in lesser client integration, however, depending on the fluidity of the organization, it often seems to result in greater difficulty in integrating delivery to clients.

4. People often minimize the difficulty involved in integrating the various elements required to shape an organization into a uniform mindset or way to approach situations. For operational divisions, multiplying the number of points of contact outside their own organization will often result in additional points of friction. It is only natural that dealing with functionally centralized units, shared service units or external outsourcers, will increase the likelihood that some of these functional units will not be aligned in priorities, attitude, responsiveness, etc. There is no argument that

some or all units outside the division can be well integrated with operational divisions; however, there are more organizations that claim to be able to achieve it than there are that can effectively do it.

How much centralization is right for your organization?

Obviously, there is no universal answer to this question. The answer will always depend on the state of your organization, its history and the human and technological capabilities of your organization. It will also depend on the mindset of the organization. For a variety of factors, some organizations have a culture such that centralization does not work very well. In other organizations, the reverse may be true.

In my view, the proper outcome is that centralization/decentralization decisions should be made with a proper understanding of all the factors involved, not just factors that can be measured with a short-term financial focus in mind. Such decisions can only be made by people at the top of the organization with appropriate input from the various players involved. □

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Creating Visibility

by John West Hadley

“I don’t like to brag.”
 “Why can’t everyone just recognize the value I bring to the table?”

These comments are typical of what I hear at workshops to help people market themselves more effectively. Actuaries in particular seem to have a mindset that they shouldn’t have to market themselves. Perhaps we were lulled into this by the actuarial exam process. To gain recognition and progress to the next level, all we had to do was pass the next exam. After five to seven years of that, it felt like the natural order of things. Then we got our FSAs, and suddenly there was no automatic path up the corporate ladder. And while we were focused on building our technical skills, others learned how to navigate the promotional/political process.

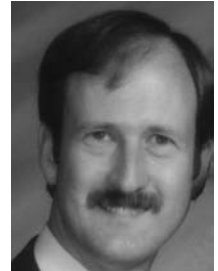
The bottom line is that the person who cares most about your career is YOU! It’s up to you to take charge of your career. And to accomplish that most effectively, you need to make sure you are visible. People need to understand how you can contribute in order to keep you in mind when opportunities arise. This doesn’t mean you are out there constantly bragging about what a great job you are doing. It simply requires that you take advantage of the chances that present themselves to create visibility for yourself, and learn to present yourself in those situations to highlight the value you add.

Here are a few suggestions:

- Seek assignments outside of your normal routine, areas of expertise or department. Seek to work with people you don’t normally work with. This will get you known in different capacities, for different skills and by different people. It will also expand your skills and help you

build new relationships, both of which make you more valuable.

- When you run into a senior officer at the company cocktail party, and he or she asks what you do, don’t answer by saying that you price universal life products, or you run the actuarial department. Focus on the real question you should be answering, “Why do I pay your salary?” Give an example of a result you’ve achieved for the company, the type of problems you’ve solved, the solutions you’ve provided, the value you have added.
- Get used to thinking of all the projects you’ve performed in terms of accomplishments, tied to results you’ve achieved, such as revenues generated, profits earned, resources or time saved, or costs eliminated. Every time you complete a project, write a simple accomplishment story about it to put in your files. (This will come in particularly handy at performance review time, or when preparing your next resume!) Focus in particular on what challenges you had to overcome to achieve the objective, and what specific actions you needed to take to do so. This will also help you remember the important contributions you’ve made so that you will be more fluid in expressing those as needed.
- Schedule a discussion with your boss to find out what you can do to help him meet his goals. Explore what he would like to see you do more of, less of or differently. Find out how those goals fit the company mission and the goals of your boss’s boss.
- Explore your department’s longer-term goals. Seek ways to better align what you are doing with those goals.



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The bottom line is that the person who cares most about your career is YOU!

Creating Visibility

- Just as you would hope your boss would find ways to recognize things you have done well, occasionally find an opportunity to show recognition of what your boss is doing right. Even a simple statement like, “I really appreciated it when you spoke up on my behalf at the manager’s meeting last week” can go a long way to reinforcing a good relationship!
- Find opportunities to speak up (but in a way that actually contributes) in every meeting you attend. Don’t monopolize the discussion, and don’t criticize others’ ideas—figure out a way to express what’s valuable out of their ideas and validate that portion, while building on them.
- Give credit to your team, to your employees, to anyone who helped you achieve your goals. Everyone knows you can’t do it all yourself, and if you try to take sole credit, pretty soon no one will pay much attention to what you say, and no one will want to be on your team.
- Network intentionally. Don’t go to lunch with the same group of people every day, pick someone new to eat lunch with once in a while. Don’t eat lunch at your desk every day; make sure to use the occasional lunch to catch up with people. Go to professional meetings on a regular basis. Schedule some time on a weekly basis to e-mail some friends at other companies, or to call someone to catch up.
- Think about how what you wear to work enhances or detracts from the professional image you would like to present. You don’t need to invest in a lot of new clothes, but you should make sure that what you wear is clean, pressed, in good condition, and matches.

If you just follow a few of these suggestions, you will go a long way toward raising your visibility. □

(Readers who want help in creating more visibility for themselves are invited to call John Hadley to schedule a free 30-minute phone counseling session.)

Hot off the press!

Life Insurance and Modified Endowments
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and 7702A

Get your copy of the Society of Actuaries’ newest publication and first-ever book on this topic. This innovative work provides a practical look at the issues surrounding federal income tax treatment of life insurance contracts, including in-depth information on the statutory definition of life insurance

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To purchase a copy, visit the Bookstore on the SOA Web site – www.soa.org. Just click on Research and Publications.



Your Career—It's Up to You

by Kelly Rendek

Career Development? What is it, anyway? Well, I'm not a human resources consultant, nor a recruiter, nor a life skills coach, nor in fact any one of the many different types of professionals involved in the field. So I can't tell you what the professionals would say. What I can tell you is what I've learned from my own experience.

Opportunity Knocks

My actuarial career started out as an accident. I wrote the first two exams because my brother told me to (he was worried about my career prospects as a mathematician!). I'm from a smaller-sized city, and the actuarial population at the time was about 15. The actuary proctoring the exams that day was understandably curious as to who I was, and what my qualifications were—in case I turned out to be a possible employment candidate. For my part, I didn't really know what an actuary was, so I wanted to pump him for information before I committed myself to anything. A few weeks after the exams, I called him up and he invited me down to the office to meet a few people and go out for lunch. It was only near the end of that day that I realized everyone else thought it was a job interview! But I was offered a job as a result, and thus began my actuarial career.

The most important lesson I learned from that experience was that anything can become an opportunity. I went out for lunch thinking I could learn what an actuary did and ended up with a job that turned into a career. I could have thought long and hard about whether or not it was what I really wanted to do—but what was important was to take the opportunity that was offered, and see what I could make of it.

In various guises over my career, the same lesson has continued to be applicable. Sometimes you have to do a bit more of the work yourself, in order to turn a chance encounter, or perhaps an otherwise uninspiring

incident, into an opportunity that you can take advantage of. But I believe that opportunity lurks around every corner, just waiting to be noticed.

Never Stop Learning

It's a cliché, but a useful one. If you don't keep learning and developing as a professional and as a person, your career isn't going to go anywhere. The end of your actuarial exams is just the beginning of your career. Technical skills are necessary, and initially it can take all of your time and effort to acquire them. However, if you want to advance in your career, you'll need to do more. You'll find useful ideas in *The Stepping Stone*, and through sessions put on by the Management and Personal Development Section, but don't stop there. Take a class, volunteer for a project, learn a new language, join Toastmasters—it might not be useful right away, or even directly applicable, but can ultimately add value.

One of the things that I started a few years ago was to set myself a goal of learning at least one new thing every year—not necessarily work related. One summer I took rowing lessons. It's a bit humbling to take instruction from an 18-year-old who knows an awful lot more about the subject at hand than you do. But I spent a number of early mornings on the lake thinking about the teamwork required in rowing, and how I could apply those principles at work.

My own opinion is that a traditional actuarial education is focused on specific technical skills, requiring a great deal of discipline and self-study, and consequently it ignores many of the skills needed to work effectively in an organization. To be successful, you'll need to expand your horizons, a lot.

Take Stock Every Once in a While

Even though my actuarial career started out as an accident, it doesn't mean I've never had to



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The most important lesson I learned from that experience was that anything can become an opportunity.

Your Career—It's Up to You

think about it between then and now. In fact, I believe that you need to regularly assess your career—where it's going, and what you want out of it—even if you don't make any changes as a result. It's a little bit like spring-cleaning: you find those long-misplaced items that you put away just in case you might need them someday and you toss out other items that aren't useful anymore.

Creating or revising your resume, if you do it properly, is a great way to analyze your career, even if you're not actually looking for a new job. It's an exercise that I've used several times during my career. There are a lot of tools out there to help you do it,—the SOA's Actuary's Career Planner is a good place to start. The key is to spend enough time and do it thoughtfully.

Think about skills that you might already have that aren't represented in your resume, and how you might go about using them more in the course of your work. Think about where you want to go and the skills you might need to acquire in order to get there. Think about the type of environment you like to work in, and how well it matches up with your current job and your "ideal" job. For a fresh perspective, consider careers and occupations that are completely different from what you're doing now—and whether or not any of the skills or aptitudes might be the same. Evaluate the risks you're willing to take to advance your career—and those that you're not.

Even if all you do is file your updated resume once you're done, it's a valuable exercise. If nothing else, when the next unforeseen opportunity comes along, you'll be ready for it.

Ask for What You Want

The biggest developments in my own career have come about because I asked for something I wanted. Sometimes it was a small thing—a chance to work on a certain project, or an opportunity to go to a conference or seminar that I was interested in. Other times it was a major request—such as creating a new position in the company for me so that I could do the work that I thought needed to be done. You won't always get what you want (I certainly don't!), but if the powers that be don't know you're interested, they're less likely to think of you when oppor-

tunities do come around. If you make your interests known, and if you get involved when the chance is there, then more opportunities will come your way.

(And just remember: "you can't always get what you want, but sometimes you get what you need"!)

The Choice is Yours

Sometimes you end up feeling like you're going nowhere, and you don't know how to fix it. You know you want something more out of your career, but you're not sure what. Even going through a thoughtful analysis only seems to highlight the problems, without offering solutions. Or, sometimes you know what direction you want to go in, but there are obstacles in the way.

Sometimes all you need to move your career forward is to realize that you do have a choice. The choice might well be to stay where you are, because it meets most of your needs at the moment. The choice might be to stay where you are for now, but go to evening classes and work on developing different career options for the future. Or, it might be that it is time to make a change, but you need to spend some time on research before you can make an informed choice. The first step is to identify that there are options open to you, even if you can't see them right away.

Early in my career, I was told that I couldn't apply for a job in another department because the project I was on was too important. I was furious, because I had been waiting for an opening in that area. My response was to fire out resumes in all directions, which netted me a

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**... you need to
regularly assess
your career—
where it's going,
and what you
want out of it...**



Public Speaking: Hint ... It's Not About You

by James Gray

From The Globe and Mail, June 11, 2003

Communication

Public speaking still ranks among humankind's greatest—and most irrational—fears. The anxiety has as its roots a kind of self-absorption: We become overly concerned with our "performance" and how those in attendance will perceive us.

The antidote is simple. We have to take our attention off ourselves and direct it to where it truly belongs, on the audience.

The best speakers realize that. They also know that a single presentation is rarely critical to the survival of a democracy. They realize that while speaking convincingly to colleagues, clients and prospects influences the trajectory of careers, for the most part they'll be evaluated according to how they communicate over time. It's cumulative. Speaking well in public is a long-term job that takes commitment, patience and the realization that on occasion, we'll falter. Big deal.

Armed with those new perspectives and the following eight rules, you too can learn to enjoy public speaking:

Preparation is Key

We've all attended presentations where the speakers didn't know their audiences or their material. Those experiences are difficult for presenters and onlookers alike. When you don't know your narrative, half your awareness is taken up trying to recall the information you need to communicate. You appear scattered and uncertain. And you run the risk of losing the confidence and possibly the respect of your audience. The lesson here is that you need to know your story cold. When you do, you're free to be yourself. Only then can you engage others with self-assurance and enthusiasm.

Check Out the Venue

If you'll be speaking in a room you haven't seen, do your best to visit it beforehand. Why? We're creatures of habit. We fear the unknown and luxuriate in the known. You'll appreciate the early visit when

you stride to the lectern for real, in front of 500 onlookers. Your brain will say: "Hey, we've been here before. This isn't so bad." Take advantage of the venue check to test your technology and introduce yourself to the audio-visual personnel. You definitely want them on your side. Those experts can make you look very good, or very bad. Learn their first names—and use them in conversation. ("Buddy" just won't cut it.)

Start Your Presentation Early

In a way, your speech begins when you walk into the room in which you'll deliver it. Before their addresses, many speakers will ignore the very people they'll soon have to count on for attention and support. Don't even think about it. Whenever possible, reacquaint yourself with colleagues in the crowd and introduce yourself to those you don't know. (You'll need as many friends as possible later on.) Smile frequently at members of the audience while you're being introduced. When giving their remarks, the best speakers will connect with three or four encouraging faces in different parts of a room. It creates a feeling of collective intimacy, even within a large venue.

Go Easy on the Stimulants

A little nervousness before a big speech is natural. A few jitters indicate you have respect for your audience. Too many speakers, however, stoke their pre-presentation nerves to the point of apoplexy by ingesting copious amounts of caffeine. Go light on the pre-speech stimulants. If you must drink coffee, go with decaffeinated. Better yet, sip room temperature water. (Ice water can traumatize the vocal cords.) Avoid dairy products, such as yogurt, which can thicken the voice. It's best not to eat too much before a speech and run the risk of indigestion. Promise yourself a great meal afterward—as a reward.

Have a Backup Plan

If your laptop went missing minutes before your presentation, could you still deliver a powerful discourse? The answer should be "yes." Similarly, if



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We're creatures of habit. We fear the unknown and luxuriate in the known.

Public Speaking: Hint ... It's Not About You

conference organizers came to you and declared that because previous speakers had gone over their time you'd have to reduce your 20-minute presentation to 15 minutes, could you do it? You should be able to. You need to have a hard copy of your presentation that you can effortlessly deliver from if your technology goes down. And you should know your material so well that you can present different versions of it, depending on your time.

With PowerPoint, Less is More

Effective public speaking is about taking the pressure off yourself so you can be yourself. When speakers launch right into PowerPoint they often find it difficult to be themselves, so concerned are they with the operation of their technology. (How many presentations begin with the lament: "Where are my slides?") Try this: Forget about PowerPoint for the first minute or so of your presentation. Display a company or product logo as background, and use the time to establish a relationship with the audience. You'll build credibility and self-confidence. When your slides are done (with no more than a slide per minute), finish as you started, with personal interaction. Not so long ago, speakers addressed others like this all the time.

Start Slowly

Most presenters speak far too quickly off the top, slowing down only as they become more comfortable. You need to start slowly. Why? In the early going, members of the audience are getting to know you and what you're all about. If you speak too rapidly they'll miss essential contextual information, diminishing their understanding of your story. After a while, they'll stop caring. The best speakers always start slowly. They keep their opening sentences short and simple. Indeed, they mark up or choreograph their scripts to remind themselves to pause, or stop or smile. During your presentation you'll want your audience with you every step of the way—starting slowly ensures that you'll commence the journey together.

Aim To Be Good, Not Perfect

If you prepare your speech with the goal of delivering perfection and you flub a line early, your subconscious will helpfully inform you that you've failed. I've seen speakers fall apart after that. All of us will occasionally flub because we're human. However, if you serve the needs of your audience with discipline and passion, few will remember that you were less than perfect. Or even care. □

Effective public speaking is about taking the pressure off yourself so you can be yourself.

NEW YORK SECTION COUNCIL MEETING

Members of the Management & Personal Development Section Council gather in New York during the SOA Annual Meeting to discuss the future activities of the section.



*Standing—left to right: Dan Shinnick (2003-04 section chairperson), Dave Miller, Faisal Siddiqi, Sim Segal (2002-03 section chairperson)
Seated:left to right: Jennifer Gillespie (2004-05 section chairperson), Gail Hall, Vince Granieri, Sudha Shenoy*



Incoming chairperson Jennifer Gillespie presents books of appreciation to outgoing chairperson Dan Shinnick



Using the Win/Win Approach to Build Lasting Success

by Richard J. Lauria

Both in business and other interpersonal dealings, a common desire is the building of successful long-term relationships. Such relationships are the foundation of the financial services business. Yet maintaining this foundation is often an elusive challenge for many individuals and organizations. The business media teems with stories where such relationships deteriorate into conflicts, often resolved through difficult and expensive legal procedures. What are the causes of such conflicts, and what can be done by the business community to improve the overall health of its relationships?

Stephen Covey provides answers to these questions in his best selling work, *The Seven Habits of Highly Effective People*. Chapters 4, 5 and 6 discuss techniques to building interpersonal relationships that can be applied to many business situations. I will discuss one of those techniques, the principle of “Win/Win” thinking in this article.

Win/win means an approach that creates a win for all parties involved, when taken from each party’s respective point of view. Win/Win has not occurred if one side does not view the resulting agreement as a win, even if the other party believes that the party in question should view the agreement as a win.

Win/Win does not necessarily imply that a compromise has been reached. Compromise is a lower form of Win/Win where both sides give up part of what they viewed as a “true win” in order to close the deal. There may be an arrangement to be found through patience and creativity that is better for both sides. Such an arrangement may be quite different from the original thinking that each side brought to the table.

Win/Win does not mean just being nice. Such an approach requires a balance of courage and compassion. Courage is required

to honestly state what one reasonably wants and needs from the relationship. Lacking such courage will lead to compromise at best, and being rolled over and taken advantage of at worst. Lacking courage produces a Lose/Win mindset and result. And continually being on the short end of the stick over time will inevitably create frustration and a desire to change or terminate the relationship.

At the same time, compassion is needed to understand the reference frame of the other side to best help meet their wants and needs. Without compassion, the mindset brought to the table is one of either Win (not caring how the other side feels) or Win/Lose (wanting the other side to not get what they want). This often leads to a confrontational situation where both sides are thinking Win or Win/Lose. And if both sides are thinking Win/Lose, then the relationship will likely fester with either one side winning or both sides losing (a Lose/Lose situation). At this point, it may be best for all parties involved to go their separate ways, as the relationship is often beyond repair.

Note that there are situations where Win or Win/Lose approaches may be unavoidable and even necessary. An example would be an organization with separate sales offices working independently of each other in different markets. To increase sales, competition can be evoked by providing extra monetary incentive for the office with the best production. Since the offices work independently of one another, there is minimal chance of one office sabotaging another’s production. Another less benign example occurs in succession planning, where multiple qualified individuals are competing to be the successor. While the competition may be necessary to determine the best candidate, it’s important that appropriate incentives for cooperation



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Win/win means an approach that creates a win for all parties involved, when taken from each party’s respective point of view.

Using the Win/Win Approach to Build Lasting Success

be included to protect the long-term interests of the organization.

Getting an organization to think Win/Win when dealing with internal issues requires setting up incentives that foster such a culture. The saying, “You get what you pay for,” clearly applies. An example that used to occur frequently in insurance organizations was to compensate marketing and sales based solely on production while compensating underwriting and actuarial based solely on earnings. This system led to silos and produced tensions between the front and back offices when negotiating pricing and product design. Shane Chalke’s “Macro Pricing” paradigm linking production, price and profitability paved the way for many companies to redesign their compensation systems, resulting in improved organizational alignment.

Cooperative actions will only happen if the right systems are in place to encourage such actions. The goals, resources, accountabilities and consequences associated with such systems should be clearly stated in performance agreements. The clear documentation of these items helps the organization focus on the right objectives and eliminates the need for micro-management.

Getting to Win/Win requires that each side has a high “Emotional Bank Account” with respect to the other party. This means that there is significant mutual trust and respect. Such trust typically requires enough experience in dealing with each other to make the necessary “deposits” to build up the accounts. Having high account balances fosters the courage to state unambiguously what each side wants while encouraging the empathy required for a mutually satisfying result.

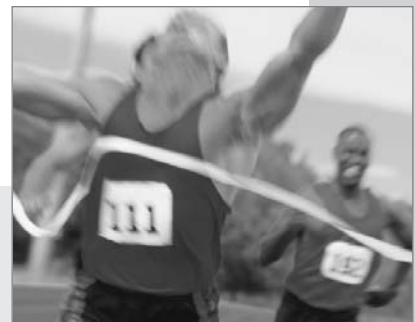
If such a desirable relationship does not exist, the two parties may agree to go for “Win/Win or No Deal.” This means that both sides agree to try to reach an agreement that works for everyone. If such an arrangement cannot be found, then both sides agree to walk away, no hard feelings. An example where this approach can work is an insurance company negotiating terms with a potential new product distributor. Of course,

there are situations where No Deal is not an option. An example would be a contract negotiation between insurance company management and the labor union representing the company’s career sales agents.

One other important element for Win/Win to be feasible is that both sides have an “abundance mentality.” This is the belief that there is enough for everyone. There is a human tendency to believe in limited resources and that we are all competing for them in a never-ending rat race. This “scarcity mentality” will typically produce Win/Lose results.

In summary, the Win/Win approach provides the mindset necessary to developing successful long-term relationships among individuals and businesses. Such thinking leads to better cooperation within an organization and opens the door for creative solutions between business partners. While Win/Win is not applicable to every business situation, there are many cases where it has been applied successfully. Where possible, the inclusion of the “No Deal” alternative is desirable because it allows both sides to explore all possible avenues with courage and conviction, under less pressure. Finally, Win/Win must go beyond thoughts and words and be reflected in the systems and processes that comprise all organizations. □

Getting an organization to think Win/Win when dealing with internal issues requires setting up incentives that foster such a culture.



Why Should I Follow You? • from page 4

So what's your track record for creating new ways of doing things? Have you ever suggested (or even better, implemented) new approaches to customer service or marketing? New methodologies, templates or tools? New ways to train and develop people? Where is the evidence of your creativity in running any aspect of your business?

4. Style

Finally, if all the other tests have been met, a follower will be interested in your style. Great leaders are effective coaches, helping everyone on the team to stretch and to fulfill their goals. Great coaches must excel at two seemingly opposing skills: they must be supportive and nurturing, as well as continually demanding—nagging their followers to stretch to the next goal.

You must demonstrate both of these skills. If you're only demanding, you'll be perceived as Atilla the Hun. If you're only nurturing, you'll be perceived as a wimp! In either case, people won't follow you. What people need in a leader is a friendly skeptic, a loving critic, a challenging supporter—someone who's not afraid to give both positive and negative feedback, and is involved enough to know when either is due.

It's been said that "A leader doesn't build a business—a leader builds an organization that builds a business." For you to be perceived as leader, you must be interested in building a team. And you must be prepared to get your satisfaction from the success of others. It's more about attitude than it is about natural talent. □

Your Career—It's Up to You • from page 17

couple of interviews. Ultimately, I ended up getting the job I had originally wanted, but it was a choice between several alternatives, rather than a default option. It was also satisfying in that I had reclaimed the power to determine my own career regardless of what obstacles had been put in my way. Your career is yours, and no one else's. You need to create the choices in your own life and then act on them. No one else can, or will, do it for you.

Take Risks

Sometimes you just have to take a risk. If that scares you, practice taking smaller risks that don't matter so much and work yourself up to it. Be willing to fail or even just to look silly. Most actuaries are risk averse, whether by nature or by training and it takes practice to break the habit. But if you want to succeed, you have to be willing to go out on a limb once in a while. (If necessary, start by standing next to the tree and looking at the limb).

After practicing with smaller risks, I recently decided to go all out: I packed up all of my be-

longings and moved from Canada to Ireland. In fact, I also switched from life insurance to P&C at the same time. It's a lot of change in the middle of a career, but hey, why not? Surprisingly, the reaction from most people was that it was something they wished they could do. We get stuck in a rut and then we get comfortable in it. Even if we want to change, we become afraid to take risks that will move us away from what we know.

You have to be willing to take a risk now and again if you want to move your career forward. It might be as simple as volunteering for a project that takes you out of your comfort zone. Or it might be as dramatic as moving to another country. Whatever it is, be willing to take the risk and make the most of it.

As I said to begin with, I'm not an expert. But I have had a varied and fulfilling career up until now and I expect it to continue that way. It's up to you to determine where you want to go and then figure out how to get yourself there. There are lots of good resources available, but it won't happen by itself. What you make of your career is up to you. □

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