



SOCIETY OF ACTUARIES

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Chairperson's Corner

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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.

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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! ☐

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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! ☐