



SOCIETY OF ACTUARIES

# The Stepping Stone

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## contents

**From the Editor—Contribution and Feedback**

by David C. Miller .....2

**Chairperson’s Corner**

by Jennifer L. Gillespie .....3

**MANAGEMENT**

**Coach Your Way to Managerial Success**

by David S. Duncan .....4

**Managerially Speaking: Internal Politics—A Necessary Evil or a Disease that can be Cured?**

by Marcel M. Gingras .....6

**PERSONAL DEVELOPMENT**

**Catch Yourself Doing a Good Job**

by John West Hadley .....8

**Overspeaking: Just Say No**

by James Gray Hadley .....10

**Get Noticed with Every Word**

by Melanie J. Davis .....11

**Are You Listening?**

by David C. Miller .....12

**Actuaries Respond to Profession’s Call for Improved Communication**

by Catherine Konsky, Ph.D. ....14

**Negotiation — The Science of Empathy**

by Richard J. Tucker .....15

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## From the Editor

# Contribution and Feedback

by David C. Miller



*David C. Miller, FSA, MAAA, MSCE, is president of Miller and Associates Business & Sales Coaching in Newtown, Penn.*

Last year, the Management and Personal Development Section pledged to provide at least one article in each of the five topic categories, which are the focus of our section. The five categories are:

### **Management**

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

### **Personal Development**

- 3) Career development (marketing yourself, interviewing, professional image, etc.)
- 4) Communication skills (presentations, writing, listening, etc.)
- 5) Interpersonal skills (negotiation, influence, personality style management, etc.)

I plan to carry on the work our last editor, Sim Segal, so ably achieved. To do this, I need both your contribution and feedback. First, I need the contribution of all of those who have a passion for personal and professional development. You are the ones with valuable insights, strategies and skills to share with our readership. Here's your chance to make a contribution to your colleagues and the actuarial profession via an article in *The Stepping Stone*.

Second, I need feedback to know what else you as our readers would like to see this year in this newsletter. Let us know what's working and what's missing so that we can serve you better.

For both contributions and feedback, I can be reached at [dave@translifecoach.com](mailto:dave@translifecoach.com). I look forward to hearing from you. □

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# Chairperson's Corner

by Jennifer L. Gillespie



*Chairperson*

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## What About Me?

Perhaps the first thing you hear in your mind, as you read the question, "What about me?" is the voice of a whining child. Do you remember when you were growing up and learning to speak like an adult? Did you get corrected for saying, "Can Jane and me go to the store?" It seems that so many of us have been corrected so many times we're now sure "me" is a bad word or a slang term at the very least. I frequently hear people use the word "I" incorrectly. I know they really want to say "me," but they're afraid it's inappropriate or wrong. "Me" is actually the object form of the personal pronoun "I" and it is a correct grammatical term. Another common way people try to avoid this conundrum is to substitute "myself." Myself could be used as the object in a sentence, but it is for emphasis. It sounds stilted to use it in an otherwise active setting, "Would you please give the project to myself." We need to free ourselves. Go ahead and say, "Bring the results to ME!"

Go back to that childhood image and think about the time when you were the focus of life. Where did that feeling go? Of course, we've matured. In our grown-up lives, we are busy looking out for our companies, our employees, our children, our spouses, our parents, our houses, our neighborhoods, etc. We often find ourselves at the bottom of the list, with the attitude that if there is time left after all the others are looked after, then I will do something for myself. We do this at work, when we think about taking a development class, only if there is nothing else on the calendar. We do this outside of work, when we think about taking time for personal fun, only if all the chores are done and everyone else's needs have been met.

I challenge you to boldly say, "What about me?" Dare to make "me" the object of a sentence. Dare to sign up for a learning opportunity not to maintain your technical expertise but to stretch yourself in a new direction. Dare to block some time for what you think is fun. Find the energy and renewal that come from these activities and see how much better you become with your company, your employees, your children, your spouse, your parents, your house, your neighborhood, etc. When it comes to selecting sessions for your next Society of Actuaries meeting, look for those sponsored by the Management and Personal Development Section and say, "Sign me up!" □

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childhood image  
and think about the  
time when you were  
the focus of life.**

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# Coach Your Way to Managerial Success

by David S. Duncan

If you want to increase your managerial success, focus on improving your coaching skills rather than your managerial skills. What is the difference between managing and coaching? In its simplest sense, a manager focuses on himself. A coach focuses on others. Let me give you a couple of examples of the difference between managing and coaching.

## Example #1

If you have a garden at home and you want to grow flowers, can you actually *force* flowers to grow? Of course not. You can plant the seed, provide the sunlight, till and enrich the soil, pull weeds, provide water and care — and from there, all that you can do is to have confidence that you've done everything possible to make the flower a reality. A manager screams, "I want beautiful flowers!" A coach focuses on the plant and says, "I want a plant that is beautiful."

## Example #2

If you have small children, can you *teach* your children anything? No. You can teach a child nothing, because in reality your children must choose to *learn*. A manager focuses on teaching; a coach focuses on learning. A manager wants a child that makes him look good. A coach wants a child who *is* good.

If you have managerial responsibilities, there is some implication in your job title that you manage people. Similar to forcing a flower to grow or forcing a child to learn, you can't manage anyone. Not only is it impossible to manage, but also some of us as managers even make it worse by micromanaging! You *cannot* manage. All you can do is provide the right environment and conditions for success. After that, it's up to each member of your team to choose to succeed.

So forget about being a "better" manager because there is very little that you actually manage other than yourself (and at times, even this is questionable!). Instead, be your team's coach!

I really enjoy watching football. In fact, I enjoy watching the post-game interview with each team's coach as much as I do the game itself. There is something common in each interview that takes place. If the team performs poorly, have you ever noticed that the coach blames himself? And if the team performs at the top of its game, you will hear how the coach gives all of the credit to 'that great bunch of kids that prepared hard and pour their hearts out on the field.'

We all admire great coaches — Paul Brown, Lou Holtz, Vince Lombardi, Pat Riley, Phil Jackson, John Wooden — wow! What makes them so great? Why do business executives want them to speak with their corporate executives? Because they want them to share their secrets about what it takes to build winning teams and to learn about the characteristics of a successful and winning coach. What are some of those characteristics?

- **Hiring and Retaining Top Talent**

Regardless of your company's product, you are in the PEOPLE business. Howard Schultz, CEO of Starbucks, says, "We are not in the coffee business serving people. We are in the people business serving coffee." Your business and your success hinges on the people that you hire and retain. A successful coach gets and keeps the best talent.

- **Others-Centered**

A successful coach knows that his success is 100 percent dependent on the success of the team, and that the team's success is dependent on the success of each individual on that team. A top-tier coach knows his people. He knows everything about them and what makes them tick. He meets them at their point of need so that they can do well.

In the book "Leading With The Heart," Duke University basketball coach Mike Krzyzewski says, "My goal is to get to



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know my players and what they can do. My total focus is finding out who we are....”

If you care about others, they are much more likely to care about you. If you care about the success of others, they are also more likely to care about your success. A winning coach has the trust and admiration of his people.

A selfless coach knows that all goals are shared, and so are the results and rewards. Everyone gets a Superbowl ring on the winning team.

- **Results and Improvement Orientation**

A successful coach knows what has to be done and sets the bar high so that each team member strives to be the best that he can be. A poor coach just wants a “win.” A poor coach just focuses on the scoreboard numbers. A great coach will focus on the execution of the fundamentals that lead to the points on the board and to the ultimate win.

A successful coach does not know it all. Every season, every person, every team and every situation will have its unique challenges. We can only respond to those challenges by choosing to learn and by growing. We all know of teams that have reached the summit of victory, and how difficult it seems to be to repeat that summit in a subsequent season. Taking things to the next level requires a higher level of knowledge as well. We must grow personally and professionally.

- **Set a Personal Example**

Perhaps the greatest leadership quality of a successful coach is for him to be himself. We search for authentic leaders, and no two great coaches are alike. If your outside actions are inconsistent with your inside motivators and personal compass, you will be unsuccessful as a coach.

A great coach knows that he has his own set of strengths and weaknesses and also knows the same about his team members. A winning coach builds around the strengths of each player, including himself.

A successful coach also expects no more of a team member than he expects of himself. The coach shows up early and stays late. He inspires with his example,

demeanor, attitude, desire to learn and work ethic. He is honest and takes personal responsibility for his actions and activities. He is respected not because he demands it, but because he earns it.

- **Provide the Resources**

A successful coach gives his players the resources that they need to get the job done — winning teams will have computers that work, offices that are nice, unlocked supply cabinets and available money.

I would advise you to quit worrying about “managing to your expense budget.” If this is where you are spending your time as a manager, I can guarantee that you are needlessly nickeling and diming your team members and wasting valuable time that could be spent more productively. Think about it. Rather than spending your time tracking your expense budget, suppose you spent the same amount of time achieving your business goals. Let’s also suppose that you exceed your expense budget. If you were successful in achieving your goals, no one will even notice that you exceeded the budget. If you were unsuccessful in achieving your goals, exceeding your expense budget would be the least of your problems. Spend your time doing the right things and give your team the resources they need. This investment will reward you handsomely.

## Summary

Hire the right people, get to know them and focus on their success. Set the bar high, set a good personal example and provide the resources to get the job done. *Coach* your team and they will manage *you* to success. □





# Managerially Speaking: Internal Politics — A Necessary Evil or a Disease that can be Cured?

by Marcel M. Gingras

One of the many reasons several organizations fail to reach their potential is the presence of internal politics. In general, the question is not whether politics are present within organizations; rather the right question is how much politics exist? It would be unrealistic to assume that any organization would be totally immune from politics. There are generally several reasons why politics exist and how much politics exist; however, politics are often ignored and viewed as a necessary evil. This article takes the view that politics do not have to be a necessary evil and that there is a cure... once leaders acknowledge that there is an issue and that they can do something about it.

## What are politics?

Essentially, politics result when the organization fails to align the behavior of its employees with the interests of the organization and tolerates the fact that some employees are acting in their own self interest or the interest of a piece of the organization, at the expense of the rest of the organization.

Politics within an organization can be compared to several forces pulling in different directions, as opposed to these same forces all pulling in the same direction. Anyone with some background in physics is aware that forces pulling in the same direction are additive while forces pulling in different directions are subtractive. The end result depends on the intensity of the forces at play and how well they are aligned and how badly they are misaligned.

Realistically, it is difficult to imagine that forces within an organization would always be perfectly aligned. However, it is management's responsibility to monitor the forces at play and to jump in whenever these become too misaligned.

At the end of the day, politics is the direct result of a lack of focus and lack of teamwork

within the organization and someone has to take responsibility for it. Generally, accountability starts at the top of the organization, division or department suffering from misalignment.

As a side note, politics are not the sole propriety of large organizations. It is also amazingly present in very small organizations, where there are fewer forces at play, but where the intensity and depth of rivalry can sometimes far exceed what can be observed in larger organizations.

## Why do politics exist in organizations?

There are a variety of reasons explaining why politics exist within any organization and the intensity of the politics that exist. These can be classified in a number of ways. For the purpose of this article, I have classified them into four categories: i.e., leadership, cultural and organizational issues, staffing and communications.

### Leadership

- Obviously, most issues that exist in organizations can be traced back to some form of failure at the leadership level. It is certainly true of internal politics. I look at politics as the failure of leadership to convince people to set aside their own immediate good for the good of the organization. In the absence of a compelling cause being shown to them, people create their own departmental, divisional or personal cause and this is what they fight for at the expense of the organization as a whole.
- Politics are also the failure of leadership to sell their vision to the rest of the organization. Obviously, this assumes that a compelling vision exists in the first place. Whether it is that the vision is not communicated, or people don't understand the vision, or people don't buy the vision, the end result is the same, i.e., you have people



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**At the end of the day, politics is the direct result of a lack of focus and lack of teamwork with the organization...**

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in the organization not focused on company objectives and leadership must be accountable for this.

- In order to have an organization moving in the same direction and performing as a single entity, there needs to be cohesiveness, and for cohesiveness to exist, there needs to be a shared mindset within the organization. This is what leadership gets paid to do — create a shared mindset to optimize performance.
- Interestingly enough, some leaders create internal politics voluntarily by creating tensions in the organization. This is done with the belief that internal rivalry is good to get the best out of people. I suppose it can work in some environments; however, it looks to me similar to playing with fire. It can be fun, but once the fire is started and out of control, it can quickly become a big mess!

### Cultural and organizational issues

- Sometimes politics may be the result of faulty organizational design resulting in lack of clarity and accountability. People end up fighting to clarify what management has not clarified for them through proper organizational design.
- Sometimes people don't feel empowered and there may be a culture of not accepting mistakes. So people become calculating and they avoid taking risks and they make sure they cover their tracks in case something happens. In that type of environment, people are generally quick at blaming each other for mistakes or underperformance, as opposed to focusing on recovering from mistakes and learning from them.
- Closely associated with the previous point, some organizations don't encourage and reward entrepreneurship and creativity; hence, people learn to become good bureaucrats and learn to become survivors, as opposed to contributing to their full potential.

- In many organizations, there is an imbalance between the so-called "staff jobs" looking after corporate type functions versus operational functions. People in staff jobs often initiate and/or execute projects that have not been planned for by people in operations. Then, it becomes an ongoing struggle between staff people who are trying to achieve their goals and operational people who are trying to get out of these unwanted projects and focus on the day-to-day operations. Not surprisingly, one might say that this is also a failure of leadership: to get everybody on the same wavelength, to avoid having people at lower levels slugging it out in an environment charged with politics.
- Finally, one should never discuss politics without considering incentive compensation systems and their impact on politics. A number of incentive compensation systems are there to ensure that total pay is competitive, but ignore the damage that can be done to an organization when mixed messages are being sent through faulty incentive compensation arrangements. That is, if incentive compensation arrangements are in place, they need to be well aligned with the goals of the overall organization.

(continued on top, page 9)

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**Interestingly enough, some leaders create internal politics voluntarily by creating tensions in the organization...**

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# Catch Yourself Doing a Good Job

by John West Hadley

The best managers make a point of catching employees doing a good job, and being sure to praise them on the spot. Management training classes teach us to document what our employees have done, good and bad, and to save those notes in our files to be well-prepared at performance appraisal time. Otherwise, we are likely to remember best only what's been done in the last month or two, and get hazy about the details of what was accomplished six months ago, nine months ago, last year.

Have you ever applied that advice to yourself? Have you made a point of regularly catching *yourself* doing a good job and then praising *yourself* for what you accomplished?

In any fast-paced environment, it's easy to jump straight from finishing one milestone into tackling the next task, without much pause to reflect. I regularly work with people on accomplishment stories for networking, resumes, consulting engagement bios, strong conversations with their bosses, etc. Some clients struggle to express their accomplishments, or even feel they have none of consequence. Often this is because they just never got into the habit of catching themselves doing a good job.

This is particularly challenging when it's the first time they try to develop an "accomplishment story" for projects completed years earlier. In such cases, I often end up brainstorming with them in a more or less "stream of consciousness" manner, developing a long set of bullet points on every aspect of the project before ever trying to turn it into a coherent story. After all the information has been gathered, we can decide what's important, weaving those points into a concise, compelling story.

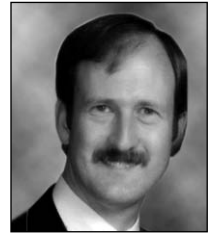
Let's assume you are just finishing an important phase of a project, and are prepared to move on to your next most critical task. Stop! Pull out a sheet of paper and take fifteen minutes to record some thoughts about what you just finished. Give it a title at the top of the page that you will remember it by — something simple. Then,

record everything important you remember about it, not worrying about making it grammatical or in any particular order. These are just notes for your own purposes, not a polished essay. Be sure to make particular note of any challenges that were presented along the way, and what you did to overcome them — these are the core of any compelling, accomplishment story. Attach any important documents — thank you notes, memos outlining the original assignment, commentary on aspects of the project, etc. Now put this all away in a file for future accomplishment stories.

*TIP: Don't wait until a project is complete to start the documentation process! As soon as something worth noting occurs, create a page for that project in your stories file, even if all you are writing down is a title and one sentence. Then save the page and come back to add more to it every time something important happens. Finish adding to it when the project is complete.*

And make a point to pause and reward yourself for a job well done on a regular basis, even if it's just a mental pat on the back. You could set a goal ahead of time, e.g., finish milestone one by February 15th, and decide in advance on a reward that will help keep you motivated. This could be as simple as treating yourself to a trip across the street for a cappuccino and fifteen minutes of quiet time, buying a CD, reading a book for fun or going to the movies. And be sure to share your successes with others — a friend, co-worker or spouse.

If you get into the habit of doing this, you will be well prepared to write-up or express your accomplishments in a compelling manner whenever needed. And you won't be caught off guard and miss one of those golden opportunities to create visibility when you run into the CEO at the annual company picnic and are asked, "What do you do?" □



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**Don't wait until a project is complete to start the documentation process!**

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## Staffing

Generally, politics are not attributable to specific individuals, but rather to some systemic failure within the organization. Sometimes they are due to the people running the organization and their failure to address the issue. However, it may well happen that certain situations are caused by specific individuals who cannot operate in a team environment. This can happen in organizations that focus their recruiting and promotions on individuals with good technical abilities at the expense of people with good teamwork abilities.

## 4. Communications

A contributing factor to creating a political environment is the absence of proper communications within the organization. One of the roles of leadership is to replace uncertainty with certainty and to replace confusion with clarity. Generally, when people don't know, they assume and when different people and departments don't make the same assumptions, then increased politics is likely to result.

### What can be done to minimize politics?

At this point, the solutions that can be put in place to minimize politics should be fairly obvious, i.e., they should be just the opposite of the behaviors that allow politics to exist. A number of these solutions have been explored in previous articles or will be explored in future ones. To summarize quickly, the following are some of the required steps to create an environment with minimal politics:

- Creating and sharing vision.
- Creating a shared mindset.
- Hiring people with the right attitude.
- Having people in leadership positions that can lead and be role models for the rest of the organization.
- Having and executing a proper communication strategy.
- Creating a proper organizational design to serve the best interests of the organization.
- Aligning reward systems to make sure that they support the objectives of the organization.

## Conclusion

Politics are a cancerous disease eating away at organizations. Leaders must be capable of diagnosing the disease when it exists, be capable of addressing the root causes and be capable of putting appropriate solutions in place. Ignoring that a problem exists or accepting it as normal is not what leadership is all about. In most organizations, spending time alleviating the issues that create politics is a good time investment on the part of its leaders. □



# Overspeaking: Just Say No

by James Gray

*Editor's Note: This article last ran in the October 16, 2002 issue of The Globe and Mail. This article is reprinted with permission.*

## Personal Opinion

I recently attended a conference where a succession of speakers crossed the line from self-absorption to rudeness.

Indifferent to the obvious distress of their audience, they each rumbled interminably over their allotted 20-minute presentation times. One person spoke for 45 minutes (yes, more than double the period apportioned) and asked for questions from the audience afterward. None were forthcoming.

By this time it was well past noon. The conference luncheon had to be delayed and was ultimately served cold. The presenters scheduled for the afternoon session didn't get to eat at all, so busy were they furiously chopping their speeches to comply with the edict of now-desperate conference organizers to reduce the length of the presentations to come. The proceedings ran late anyway. Flights were missed and delegates were apologetic.

Those who talked so irresponsibly over their limits were guilty of the most serious offense in presenting — *overspeak*.

Call me unsophisticated, but I was brought up to believe that imposing on someone's time was at best, impolite and at worst, offensive. When you *overspeak*, you're basically saying to each member of a potentially large group, "Look, I know I'm over my time, and I know you're becoming restless, and I know that the speakers to follow won't be able to fully express their views because of my selfishness. But, quite frankly, I'm more important than any of them, or any of you for that matter, so just sit back and listen to the genius that is me."

One might assume that less-effective presenters would be more conscientious about delivering a speech within the time assigned. In fact, the opposite is often true. Poor speakers, psy-

chologically disconnected from their audience, ramble on. More often than not, they're struggling to get through a speech that was absurdly too long to begin with.

Whatever the reason, those who *overspeak* exhibit disrespect for those who might have become supporters or even customers. And, to be sure, they're paying a price. Potential clients among an audience might reasonably wonder, "If this presenter can't fulfill a simple obligation like speaking for 20 minutes, why should I trust him to honor any other commitment — like delivering a new product on time, or completing a project within budget?"

*Overspeaking* drains time, money, reputations and the mental health of audiences throughout the world. So what can you do to avoid it? Plenty. Below are five basic guidelines.

## Serve the audience

Good speech making is all about making sound decisions about information that best serves the needs of your audience. Learn about your audience ahead of time. Speak to people who'll be part of the crowd before you write your remarks. What do they care about? What could they care less about?

## Write long, cut short

Write a lengthy draft as it's a healthy and productive process. Then ruthlessly edit your document. At every sentence ask, "Does the audience need to know this? Am I providing new, insightful or valuable information?" If the answer is yes, the line stays. If it's no, or you're not sure, cut it.

## Cut shorter

Now practice delivering your edited draft. If you've been invited to speak for 15 minutes and your practice run lasts 20 minutes, you need to



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**Overspeaking drains time, money, reputations and mental health of audiences throughout the world.**

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(continued on top, page 13)

# Get Noticed with Every Word

by Melanie J. Davis

**T**he aphorism, “You never get a second chance to make a first impression,” applies to business communications as well as wardrobe and handshakes. Your image is polished — or tarnished — with everything you write and distribute. Style, spelling, structure and grammar count whether you are writing e-mails, reports, meeting notes, flip charts, PowerPoint® slides or sticky notes.

It’s highly unlikely you will lose a job for a misspelled word on a flip chart, but repeated errors will cause people to doubt your professionalism. If you want people to respect your business acumen, you need to command respect with every word you write.

This week, set aside time to review your communications materials to see if they accurately reflect the image you intend to project. You may want to ask a colleague to provide feedback on the same materials to see whether your perceptions match your readers’.

## E-mail

Send yourself copies of your outgoing messages, and let them age for a few days before reading them again. Are your notes brief, with a clear purpose and call to action, or do they ramble on? Did you make errors in spelling, punctuation or facts? Did you deliver on your promises?

## Letters

Are you using standard formats and letterhead? Do you clearly state the purpose of the letter and the anticipated outcome?

## PowerPoint Slides

Do you use every bell and whistle, or do you present information in a straightforward, yet compelling manner? Is your script on the slides in small print, or do concise bullets support your verbal presentation?

## Flip chart

To ensure you remember all of your salient points, pencil them onto the page margins. As you arrive at each point, copy it in large letters with a marker. Review your flip chart pages after your next presentation or meeting. Your notes should be legible and spelled correctly. They should be neat with headings on each page.

## Reports

Most companies or clients will have preferences regarding report format, length and content. Before you begin your first draft, clarify your readers’ expectations to ensure your report will suit their needs.

The following general rules will help improve everything you write:

- Avoid jokes and comments that could offend specific demographic groups.
- Avoid adjectives and adverbs, which waste space and detract from your message.
- Use active verbs to keep your writing dynamic.
- Have a goal in mind before you begin writing. Everything in the message should support that goal.
- Less is usually better than more. If you write clearly the first time, you will not need to repeat yourself.
- Find an ally who can proofread your materials before you distribute them. Both you and your ally should check your spelling, grammar, punctuation, capitalization, facts, style and tone.
- If you cannot find anyone to help you proofread your work, improve your skills by taking a business writing class at a local adult school or college.



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**If you want people to respect your business acumen, you need to command respect with every word you write.**

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# Are You Listening?

by David C. Miller

One of the most underrated skills, when it comes to developing client relationships (and personal relationships, for that matter), while serving your clients well and managing the people on your team, is the skill of listening. In the book, *Co-Active Coaching*, authors Laura Whitworth, Henry Kimsey-House, Henry House and Phil Sandhal describe two levels of listening.

## Level 1 Listening: Self-reflective

When we engage in Level 1 listening, the focus is on ourselves. We listen to the words of the other person but the focus is on what it means to us. At Level 1 the spotlight is on me: my thoughts, my judgments, my feelings, my conclusions about myself and others. At Level 1 there is only one question: “What does this mean to me?”

There are times when this type of listening is entirely appropriate. For example, if you’re traveling alone to a different city, you’re operating at Level 1 most the time — thinking about where to check in, did I remember my ticket, how much time before the flight, should I get something to eat first, etc.

Another example of Level 1 listening is at a restaurant. The waiter asks you what you’d like and you’re thinking, “Should I have the steak or the fish?” You’re focused on what that question means to you. You’re probably not thinking at all about how this decision will impact the waiter and his life.

The problem is when we take Level I listening into the client relationship. We can’t effectively serve our clients or assess our prospects’ needs while operating in Level 1 listening mode. But how often do we wonder, “What’s the next question I should ask?” We’re thinking more about the next question than we are staying present, listening and letting the questions flow naturally. Or how often have you done this: you’re on the phone talking with someone and you’re multi-tasking — checking your e-mail, typing a memo or doing other things? It makes one wonder what the impact is of listening at Level I on the relationships we value so highly!

## Level 2 Listening: Other-focused

At Level 2 there’s a sharp focus on the other person. All listening at Level 2 is directed at the prospect or client. It’s totally about them and not at all about you. **We listen for their words, their expression, their emotion, everything they bring.** We notice what they say, and how they say it. We notice what they don’t say. We listen for what they value. We listen for what makes them come alive and what makes them go dead or withdraw.

The challenge with listening at Level 2 is staying in that mode — staying present. We’ll be listening to a prospect at Level 2 and all of a sudden we get a Level 1 thought. The key is to develop the awareness of this and quickly transition back to Level 2 listening.

**What are the benefits of engaging in Level 2 listening?** There are several. One, we will develop far greater rapport with the client or prospect. Two, we’ll develop a far greater understanding of the client’s needs, challenges and problems. Finally, we’ll have a much better idea of how to help them solve their problems.

## The Level 2 Challenge

Listening at Level 2 is not easy as it sounds. A great exercise to get proficient at this is to take a couple conversations a day and try listening at Level 2 for five minutes without having a Level 1 thought. You will find as you sharpen this skill, that it will be easier to develop business and engage clients, as well as serve your clients more effectively. Take on this challenge for the next 30 days and see for yourself. □



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**Overspeaking: Just Say No • from page 10**

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cut your speech in half, so it runs about 10 minutes. Why? By show time, presentations invariably expand, because of a plethora of reasons, including introductions, transitions and technical delays. (Besides, has anyone in the history of Western civilization ever complained that a talk was too short?)

Be prepared. Rehearse your speech often. Know it cold and you'll be free to be yourself on presentation day. Be aware of what you can jettison and add, if it comes to that. Be prepared for anything, including the chance that you may have to follow someone who overspeaks and cuts your own talk short, or the possibility that another presenter takes ill and you have to lengthen your remarks (adhering to the ever-lean formula for presentation success.)

Less is more. It's really quite simple. Tell an interesting story that serves the needs of your audience well within the time provided, make an impact and then sit down.

For overspeaking to be eliminated for all time, it must be rendered socially unacceptable, like smoking in public buildings, only worse. I have a friend who, when taking the lectern to follow a speaker who has gone over his time, will say, "I was going to speak for 15 minutes, but because Ed went on too long I only have 12 minutes to address you."

My friend doesn't smile when he says this. Neither does Ed.

Of course, for people like Ed, a presentation means never having to say you're finished. But the days of those who *overspeak* are numbered. The revolt has begun. □

**Get Noticed with Every Word • from page 11**

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- Anger does not translate well to paper or e-mail. If you are tempted to fire off an angry letter, draft it and let it age for a day or so. Use the letter as a rough draft for a face-to-face conversation.
- Become an expert in some aspect of your work, and find or create opportunities to share your knowledge with peers and/or superiors.
- Market yourself within your company by getting your name in print. Submit an article to a corporate newsletter or write a letter to the newsletter editor commenting about an article and providing additional information.
- Submit an article or guest editorial to an industry publication. If you lack the skills to go it alone, hire a ghostwriter. You will

provide the background information, and the ghostwriter will add the style.

- Every two or three years, have a marketing expert evaluate your materials to ensure they are furthering your professional goals. □



# Actuaries Respond to Profession's Call for Improved Communication

by Catherine Konsky, Ph.D.

*Editor's Note: This workshop was sponsored by three sections: Actuary of the Future, Management and Personal Development and Health. It is reprinted with permission by Catherine Konsky and Krzysztof Ostaszewski. © 2004. All rights reserved.*

In the midst of the activity and glitter of Times Square, one group of actuaries devoted an entire SOA meeting one morning to developing their communication knowledge and skills. The workshop titled, "Actuaries can Communicate," was designed to identify ways to communicate more effectively as an actuary, to develop individual communication competence and to practice communication skills central to the work of an actuary.

Workshop presenters Catherine Konsky and Krzysztof Ostaszewski began the session with a springboard: Why is actuarial communication such a challenge? This complex question led to a discussion of the fact that while actuaries receive extensive education in quantitative skills, they often work with people who receive a much lower level of quantitative education. In addition, communication among actuaries means explanation of a model, its applicability and calculations. However, this is not perceived as communication by their clients. Herein lies an important gap.

Incorporating the rich rhetorical tradition from the time of Aristotle as well as present day social science research, the workshop offered four key communication principles:

- You cannot not communicate.
- Every communication has a content and a relationship dimension.
- Meanings are in people.
- Intention and perception are rarely the same.

Part 1 of the workshop focused on audience analysis. An assessment of audience receptivity is possible, even on the spur of the moment. Using an aviation metaphor, audience receptivity can be high or characterized by a quick takeoff, smooth flight and flawless landing by the

actuary. Medium audience receptivity might include a routine takeoff, adjustments required during the flight and assistance in landing by the actuary. Low audience receptivity signals a delayed takeoff, flight plan adjustments and a bumpy landing for the actuary. Each level of receptivity requires different communication choices by the actuary because even technical solutions lose their impact if not communicated effectively to the particular audience.

Part 2 included a presentation on role playing, "Actuary in the Hot Seat." The drama encouraged visualizing the actuary as someone who sees himself/herself as a decision maker who builds a solid case for what should be done in the situation. Recognizing that the hot seat is inevitable can help prepare actuaries to deal with pressures created when they find themselves in the middle, trying to serve two (or more) masters.

Part 3 encouraged actuaries to think of themselves as a force in their company — by their presence, their style and the way they communicate. Securing buy-in for actuaries requires showing how conclusions were reached and leaving the audience with unmistakable evidence of the benefits of the actuary's conclusion. Credibility, power, goal setting and persuasiveness are important elements in assuming a leadership role — maybe as the boss.

Each workshop participant took away a 15-point laminated "Actuaries Can Communicate" card with the following specific steps to take in communicating at work. In the future, an actuary's influence within a company is likely to increase as they continue to develop their communication skills and their business savvy.

Actuaries should:

- Analyze the audience ahead of time. Know thy audience!
- Empathize with the listeners. Feel their pain! Especially if they don't know any math!



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(continued on top, page 16)

# Negotiation — The Science of Empathy

by Richard J. Tucker

**N**egotiation has been a critical skill for me for most of my career. I've worked as a product actuary, represented a major distributor and now I'm a reinsurance intermediary. Technical actuarial skills were never my strength. However, I'm often able to get parties with differing goals to find a common ground, enabling a project to be completed to everyone's satisfaction. The parties may not, and in fact should not, end up feeling like the sole winner, but they shouldn't come out feeling like a loser either.

There are common tactics I've used in my negotiations. They are:

- Empathy
- Subvert your ego
- Avoid confrontation
- Preparation
- Understand the personal side

## Empathy

The dictionary's definition of empathy is "intellectual identification of oneself with another." Empathy is my negotiation equivalent of the real estate maxim — location, location, location. There are business tasks to be accomplished. Put yourself in the business position of the other party or parties. What do they need to accomplish? This is a good checkpoint on the viability of the discussion. If the groups' goals are diametrically and unalterably opposed, then it is better to recognize it early and move on. Persistence in the wrong situation can damage the relationship.

## Subvert Your Ego

A successful negotiated outcome can often be torpedoed by the desire to get public and personal recognition for the success. Typically the negotiator/mediator must subdue their ego to the successful completion of the task. Emphasize the contributions of the other party. Your professional and personal rewards will naturally follow as you become known as someone who can get things done.

## Avoid Confrontation

Successful negotiations should not have a loser, which is typically the outcome of a confrontation. Confrontation is caused by hardened positions. While you should work to avoid hardened positions, inevitably there will be occasions where they will have to be addressed. Provide the party with new or additional information to be considered. Don't ask them for a response right away. Give them time to consider the information and provide their response at a later time and venue.

## Preparation

Learn as much as you can about the other party's goals, concerns and interests before the discussions and negotiations begin. Do they have budget constraints or a staffing crunch? Can you develop an understanding of the internal political process that the other side's approval will have to go through? This knowledge can prevent you from going down a deadend path of negotiation, opening up more fruitful paths.

## Understand the Personal Side

We are talking about business discussions, but there is always a person on the other side. I've negotiated with other actuaries, marketers, salespeople, systems analysts, accountants and lawyers. Knowing a person's background often provides insight into their thought process. While the other party is not normally a friend, a good personal relationship will facilitate the discussion. Off-the-record discussions may lay the groundwork for subsequent on-the-record discussions.

I'll explain how I have used these processes to some of my own tasks.

As a product actuary, I was presented with a situation by sales and marketing. Our term insurance product was not competitive in a certain critical market segment. In this case, the market segment was small-business owners with the need for large amounts of inexpensive life insurance. They tended to be in their 50s and 60s.



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**My current situation as a reinsurance intermediary requires me to develop, structure and negotiate reinsurance capacity between a ceding company and the reinsurer.**

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(continued on bottom, page 16)

Actuaries Respond to Profession's Call for Improved Communication • from page 14

- Get the listeners' attention. Wake them up!
- Present a clear message. Keep them awake.
- Rely on words, not formulas. Speak words, not the math artillery!
- Use examples for explanation. No proofs, just tell stories!
- Avoid getting lost in the details. Tell them about the forest; there will be time for trees and leaves later.
- Avoid relying on jargon. What does that GAAP mean?
- Encourage questions from listeners. If one person has a question, there are 10 other people are too afraid to ask the same question.
- Frame issues to show your reasoning. Your thinking counts!
- Build a case for what should be done. You can and should recommend a decision!
- Be assertive, not passive. With all that math power, why not be the boss?
- Reaffirm your working relationship with listeners. Be a member of the team!
- Demonstrate your business savvy. Know your business!
- Use communication to set yourself apart. How do non-actuaries spot a good actuary? It's the one who communicates! □

Negotiation — The Science of Empathy • from page 15

As the discussion progressed, I explained what product features and structure were expensive. A single set of YRT rates had to be adequate to cover the expected mortality of newly underwritten lives, as well as lives underwritten many years ago. Marketing and sales was able to narrow the issue age range of the new product to mitigate this problem. The privilege to convert a term policy to permanent insurance without underwriting was also expensive. Marketing and sales was able to more specifically define and shorten the number of years for the conversion privilege that this target market required. To a stranger, the parameters of the new product looked a bit strange, but it suited the target need very well.

The resulting sales were favorable and the product profitability was acceptable. Each side was able to empathize with the needs and constraints of the other, the winning outcome was the product that was needed and the discussion took place without any confrontational grandstanding by either side.

When I represented a major insurance distributor, I was often called upon to negotiate arrangements with major insurance company manufacturers. Having been a manufacturer in the past, I was able to empathize with the insurance company. The process needed a negotiator to accomplish what was to both parties' benefit — the establishment of a manufacturing/distribution relationship that was satisfactory to

both sides. It was important not to insert another individual ego into the process. My historical knowledge of and relationship with many of the individuals on both sides of the table helped me facilitate what can sometimes become an acrimonious discussion.

My current situation as a reinsurance intermediary requires me to develop, structure and negotiate reinsurance capacity between a ceding company and the reinsurer. I deal in situations where reinsurance is not readily available. It is critical to empathize with both the ceding company and the reinsurer — determine what core risks the ceding company desires coverage for and discover what reinsurer desires or objections need to be satisfied. My prepared knowledge of the reinsurance community provides a strong starting point. Then all parties must enter into a willing and open discussion to find the sweet spot that matches the desires and goals of both sides. The important winners are the ceding company and the reinsurer, not the intermediary.

Pay attention to these tactics, and you may well find that negotiating becomes more of a science than an art. □

