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Words or Graphs?

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Actuaries, like other business professionals, make use of graphs to communicate quantitative ideas. A technical PowerPoint slide deck will usually feature diagrams, charts, and other visual aids to convey one or several messages to an audience. Often, these messages are complex in nature, and the amount of “air time” available is limited. A critical success factor for the speaker is to have the ability to capture the attention of the audience, so that the speaker and not the slideshow, becomes the “real” presentation. However, with slides that include many details, it is somewhat difficult to have the audience heed your body language, voice modulation, and other attributes of great speakers. Skipwith (2009) describes these features in detail.¹ In other words, too much information on the screen distracts from the speaker’s words.

One of the top dilemmas with which actuaries are confronted when preparing presentations, is to strike a balance between “words” and “graphs.” Quantitative messages may be the outcome of an emerging cost analysis of a product feature, or the consequences of a new piece of legislation that will have an impact on a company’s solvency. The background information may be vast, and it should be summarized in a few words. Charts will be employed to illustrate potential outcomes, trends, etc., and they represent such an important aspect of the presenter’s work, that it is advisable to spend some time in graph engineering. There are many good sources of information on this matter. One that is specifically aimed at actuaries is Frees and Miller (1998). In designing graphs the authors advise:

1. Avoid chartjunk
2. Use small multiples to promote comparisons and assess change
3. Use complex graphs to portray complex patterns
4. Relate graph size to information content
5. Use graphical forms that promote comparisons
6. Integrate graphs and text
7. Demonstrate an important message
8. Know the audience.

Eye-catching graphs form the basis for the most compelling slides. Also, an advantage of using

graphs is that slide decks will usually be reviewed after the presentation, making it easier for the reader to remember key points.

In addition to resorting to graphs, personal stories are also useful tools to enhance the presentation experience. Good presenters use captivating storylines in structuring their speeches.

Mere text may not deliver a message as effectively, and as a matter of fact, PowerPoint was not developed for that purpose. It is best practice to keep slides uncluttered and display just a few bullet points in each. Animation should be avoided or kept to a minimum. Some practitioners recommend plain bullet points (e.g., key messages) with no more than two indentation levels. Furthermore, the use of slides filled with text coupled with a speaker reading them word-by-word is strongly discouraged, unless the speaker wants to put the audience to sleep. Successful presentations engage the listeners’ passion by tapping into the speaker’s own passion. And learning this important personal development ability of the actuary’s skill set will only be achieved with a great deal of practice: “practice makes perfect.”

In summary, when conducting presentations actuaries should remember to (1) tell personal stories to arouse attention; (2) keep presentations visual; and most importantly (3) rehearse before standing in front of an audience.

References

Frees, E.W. & Miller, R. (1998), Designing Effective Graphs, *North American Actuarial Journal*, 2(2)

Skipwith, T. (2009), *Die packende betriebsinterne Präsentation: Grundlagen der Rhetorik und Präsentationstechnik für Führungskräfte und solche, die es werden wollen* (2nd. ed.) Books on Demand. ●

ENDNOTES

¹ See also Thomas Skipwith’s article “From Boring to Beautiful: The Skipwith-Radar” in the Feb. 2011 issue of *The Stepping Stone*.



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