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## What Would You Do? No Good Deed Goes Unpunished

By John West Hadley

Here is our seventh entry in the "What Would You Do?" series.<sup>1</sup> Write to me at [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com) to tell me what you would do. In the February issue, I'll compile the responses received (preserving your anonymity, of course), along with what actually happened in the real-life situation.

Help me craft future case studies. Write to me about your own challenging, surprising or nightmarish situations involving business, leadership, management, or any of the topic areas covered by *The Stepping Stone*, and what lessons you learned from them. I'll collaborate with you on turning your situation into a simple case study, being careful to ensure no one is identifiable. And share your own thoughts (pro and con) on the series as a whole at [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com).

### NO GOOD DEED GOES UNPUNISHED

Jonathan has just taken his final actuarial exam, is in charge of a small product group and has been assigned a student, Greg, in the company's minority summer program. While Greg presents himself well,

the work he does is substandard. Although Jonathan goes to great lengths to explain what needs to be done, and why it is important, Greg regularly delivers work that is sloppy, containing careless errors.

Jonathan is scheduled for a two-week vacation midway through the summer. Although there are no official ratings for the summer program until the end of August, he decides that it would only be fair to have an in-depth discussion with Greg to give him plenty of time to correct his work habits.

The day before he leaves, he sits down with Greg privately. He tells him that this discussion is not an official appraisal, and will not go into Greg's record. He explains that Greg's work is substandard, and that were it the end of the summer he would be compelled to give him a poor rating, but that he wants to give him the chance to correct his work during the second half of the summer. He tells Greg that if he does so, the only rating that will matter will be the one he receives at the end of the summer, and that this discussion will be forgotten.

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# the stepping stone

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# Reflections

By Jennifer Fleck

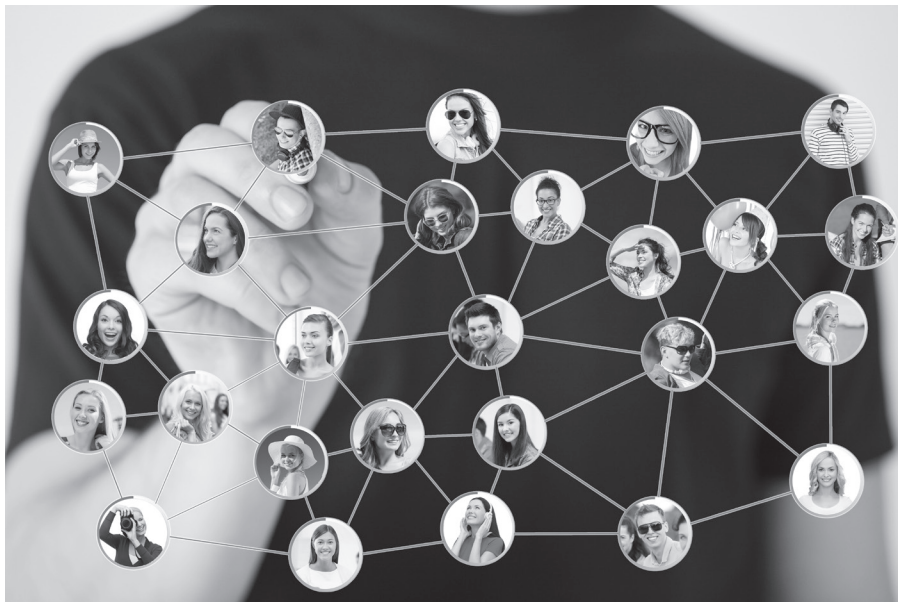
This is my final article as chair of the Management and Personal Development (MPD) Section Council. As I reflect on my past three years on the council, I am amazed at all that has changed. Obviously the members of the council have changed each year. I've had the opportunity to work with a number of great actuaries who I never would have met otherwise. Each of these council members brought their own strengths and perspectives to the team. As with any strong team, it is the diversity of our members that allows us to continue to grow and expand our reach. During my time on the council we have:

- Added a members-only LinkedIn group
- Offered members free access to getAbstract business book summaries
- Created fun networking events like the Haunted Scavenger Hunt in Washington, D.C.
- Started creating webinars and podcasts to get our materials out in new formats.

Of course, we have also maintained focus on the resources that our members have come to rely on. *The Stepping Stone* newsletter and section-sponsored sessions at SOA meetings continue to get great feedback.

This all doesn't happen without a strong team working together. Members of the council, SOA staff, and Friends of the Council all pitch in to produce this great content. Have you joined us yet? The more people we have volunteering, the better our content becomes and the less work it takes for all. Please contact any council member to find out how you can bring your diverse perspective to the work we do.

I have also seen a lot of personal changes in my own career over the last three years. The biggest change would be the opportunity I took at a new company in a new state. It was a big change for the family, but it has really helped me grow my career. I took a risk making such a big move and so far it has been paying off.



I believe that my time on the section council has helped me improve my leadership skills and build my confidence in those skills. Last year, I built on my experience running for a section council with the Society of Actuaries (SOA) and took a risk to run for my school board. It was a public election and a whole new venture for me, but I won and I'm now serving on the board of education for our regional school unit. Wow. I could not have foreseen all these changes when I decided to run for MPD Section Council three years ago, but it's not a decision that I ever regret.

I don't know what's next for me, but I continue to grow and explore new opportunities. I'd like to continue volunteering in both the public realm and with the SOA, and I'm exploring how to do that next. As for the MPD Section, I leave that in the very capable hands of Sophia Dao. I have every confidence that she will continue to drive growth and expansion of our section while maintaining our core content. Please join me in congratulating Sophia in being elected by her peers as section chair. ●



Jennifer Fleck, FSA, MAAA, is outgoing chairperson of the Management & Personal Development Section and assistant vice president & actuary at Unum in Portland, Maine. She can be contacted at [jfleck@unum.com](mailto:jfleck@unum.com).



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The day Jonathan returns from vacation, he is called into his boss's office. Len tells him that as soon as he left, Greg complained to the vice president in charge of the minority program about an inappropriate performance appraisal. Greg told the VP that Jonathan had it in for him, had unfairly criticized his work, and was impairing his future career potential.

Len told Jonathan that he would reassign Greg for the remainder of the summer to work directly for Len, and asked Jonathan to sign a document stating that Greg's work had been fully adequate to date.

If you were Jonathan, would you have handled the mid-summer discussion differently, and what would you do now? ●

#### ENDNOTE

<sup>1</sup> Past issues in the series have considered whether to demote or fire a difficult employee, interview challenges from both sides of the desk, evaluating job offers, and a difficult product decision. To catch up on the entire series, which started in May 2013, check out back issues of *The Stepping Stone* on the Management and Personal Development (M&PD) website at [www.soa.org/mpd](http://www.soa.org/mpd).

# What Would You Do?

## Responses to "Is the Emperor Wearing Clothes?"

By John West Hadley

In the August issue of *The Stepping Stone*, I posed the question "What would you do?" to the product situation below. Here are your responses, and the real-life conclusion of the situation. Send your own ideas for situations to pose in upcoming issues to [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com).

### IS THE EMPEROR WEARING CLOTHES?

Anselm is in charge of the actuarial group supporting all non-employee-benefit product lines for his company. Their business model is to evaluate potential deals brought to them by outside brokers, and invest in the ones that seem to have substantial profit and business revenue potential. This led them two years ago to his newest product line, involving modest face amount business. Everyone was excited both that the broker's projections showed a great fit to the sorts of goals they typically seek, and it looked like a product that provided a substantial benefit to the customers.

Anselm has been growing uneasy about the line's progress. The way to success as explained by the broker seems to keep morphing, and he hasn't cracked the code on how to tap into their growth targets without sacrificing what seems like a good profit margin. There isn't a lot of pressure from above so far, but he worries about the long-term prospects, and has asked an external consultant to help him do some deeper analysis into the line.

The results lead him to an entirely different understanding of the dynamics, and convince him that (1) it will take much longer than expected before the product line will achieve the combination of revenue and profits that would make the company happy, and (2) the true winners in the product line are not the ultimate consumers, but the intermediaries.

Although Anselm wasn't the one who brought the deal to his company in the first place, he was a strong supporter from the start. He has some

concern about the "kill the messenger" syndrome, as well as where the new growth in his product lines and operation will come from if the line is dropped.

What would you do?

*Editor's Note: My thanks to everyone who weighed in.*

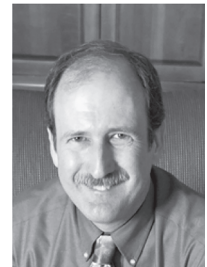
*The responses were almost unanimous on delivering the bad news immediately. That may be in part a consequence of reviewing a situation like this objectively in black and white. I suspect that those in the thick of it might at least consider a range of options, such as:*

- *Actively advocate dropping the line.*
- *Mildly suggest that there might be reason to reconsider the line and do additional analysis.*
- *Hold off a bit on any action or communication, looking for the right opportunity to bring up some questions about the line.*
- *Present questions designed to get management to specifically ask for more analysis, without necessarily revealing that he already has a lot in his pocket.*
- *Do more analysis before taking any action or letting on that anything is amiss.*

*The general tenor of the responses was captured concisely here:*

#### Actuary #1

Anselm needs to deliver the bad news and not concern himself with repercussions made against him. Bad news must be delivered, and delivered as soon as possible once determined. The last thing any good company or good manager should want is a "yes man." Should Anselm be the scapegoat for the bad results and, say, lose his job as a result, he's probably a lot better off in the long run than working for a company or manager that would act in such a way in such a circumstance.



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Knowing the shortcomings could lead to an effective action plan for improvement. Part of the burden may lie with the broker, as morphing expectations may indicate he hasn't lived up to his initial commitment.

*Here are two other responses that expanded on how Anselm and the company might proceed:*

Actuary #2

It does not sound as if this opportunistic organization will shut down if they reconsider, or even shut down, their latest venture. The most important job actuaries do is to understand the situation well enough to give good advice for the future.

Besides conforming the next financial projection to what has already happened and to what is now better understood, Anselm should communicate to those "higher up" to reset expectations and to educate them. Every new day is a new opportunity, so there is no reason to stick with a poor choice from the past. They probably will find better outlets for the time, effort and capital that will be freed up by either:

- Recognizing this line will never be big, so it can limp along as a more modest line if it does not get in the way, or
- Exiting this line because it gets in the way of using time and effort for something with more opportunity.

Actuary #3

Effective companies and individuals are able to react and remedy situations like this, or know how and when to withdraw from them. You hope the footwork was done upfront to map out the deal particulars, by setting responsibilities and expectations, and performing a cost/benefit analysis. Usually the analysis is populated with key assumptions and drivers, and expectations of the parties involved.

In this example, it would be great if Anselm could dial up the road map and identify the shortfalls. He might learn that the marketing costs are too high, the response rates too low, the persistency results inadequate, etc. Knowing the shortcomings could lead to an effective action plan for improvement. Part of the burden may lie with the broker, as morphing expectations may indicate he hasn't lived up to his initial commitment. In concert with setting initial expectations, it's also helpful to have compensation set up to mirror results, and punish poor performance.

Anselm should help the company look for new growth opportunities, and not let a bad performer linger. As a manager I would admire his strength at identifying the pitfalls and seeking recourse with the current problem. It's important to stress getting ducks in order on the front end of deals to help manage situations that go awry.

*These comments directly addressed the "kill the messenger" syndrome:*

- I once had a manager who was fired and she interpreted the firing as a "kill the messenger" response. It was months afterwards when I had basically taken her place that I learned the truth—there was no connection. She lost her job because of a thousand and one other things that came before the high profile issue that spurred her manager into action. It wasn't "kill the messenger"; it was a "straw that broke the camel's back."
- If there is a strong "kill the messenger" policy, others also likely have suspicions but don't want to be the messenger. Many messengers and scapegoats are killed in these environments, so I'd consider looking for another area or another company.
- I'd rather get killed as the messenger than as the one who knew something was wrong and didn't inform the proper people. Perhaps the first step is to get a few people together to figure out if there's a palatable fix to the issue. I think if the message is "*There's a problem, we know why there's a problem, here's how we fix it,*" you can defuse the kill-the-messenger time bomb ... if I were in a situation where the company pinned the blame on whoever discovered the problem, it might be a blessing to be divorced from that situation.
- Even though Anselm supported the deal, his diligence in monitoring the progress and determining the problems with the deal should be looked upon favorably by management.
- Sitting on bad news and covering it up seems more likely a reason to fire someone than an honest error.

*And finally, one respondent wrote an essay on how to avoid getting into these situations in the first place. I've edited it for clarity and brevity:*

Welcome to the real world of company actuarial work, where you are expected to wear two hats, player and umpire. Learn to use the phrases “*I'm not comfortable with*” and “*Sounds interesting, here are some of the things we should get more information (or data) on...*” etc. Use “*Yes, and*” instead of “*Yes, but*” to not sound obstructionist. And don't be shy to make the list of issues as long as you need. Talk about next steps and offer “*Here's what I think I can look into, maybe Marketing could get copies of actual contracts and brochures, and insurers who have done this successfully in the past...*” By this approach, you get everyone in the game, and when there are disappointments and delays, you have someone else on the line besides you.

Set up this paradigm early and remind people often. Otherwise, you risk these outcomes:

1. You did the research, and you're not comfortable with the potential success: “*Why didn't you tell us earlier?*”
2. You miss the deadline, and are blamed and now under intense pressure to cut corners and hope for the best.
3. You agree to a set of best-case assumptions, the company loses money, and you're back on the job market.

To deal effectively with Marketing, the best defense is a good offense. Know the market better than they do. When Marketing overlooks critical details in stating “*what's going on in the market,*” you can then refute them right then and there. You have the duty and right to assert yourself, and not be scapegoated.

Finally, in your dual role, you can never get fully on a new venture bandwagon. Just be conservatively positive about the idea in theory, and in the same breath start listing what further research would be necessary before “*we*” (not just the actuary) can be comfortable with it, making sure everyone at the meeting has plenty on their to do lists. After the meeting, write an email after you've had time to think of a few more potential negatives, and



recite your recollection of which department was assigned which task.

Get people on board early, as soon as you have an inkling you're falling behind schedule. Make sure to cite subsequent priorities that have gotten in the way, something which others have to acknowledge. Suggest a specific down-sized deliverable on a specific date that you have had time to think about.

Once you experience some success at this whole game, you will gain confidence, and Marketing will respect you more. The CEO will take note, and you will become the one the CEO tells Marketing they have to convince before even bothering him or her with the idea. You are seen as the person who can make or break a new venture.

## WHAT REALLY HAPPENED?

Anselm took his analysis to the chief actuary, making his case for why it was time to pull the plug on the product line. The chief actuary agreed, and they together approached the CEO. While everyone bemoaned the fact that they had gotten into the line in the first place, Anselm breathed a sigh of relief when there was no serious finger-pointing in his direction. In fact, they seemed pleased that he had taken it upon himself to bring up the issues. They began plans to exit the line, and he turned his attention to exploring new growth opportunities for his operation. ●

**Welcome to the real world of company actuarial work, where you are expected to wear two hats, player and umpire.**

# Business Classics: *Built to Last*

By Mary Pat Campbell



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In 1994, James C. Collins and Jerry I. Porras published *Built to Last: Successful Habits of Visionary Companies*. In this book, Collins and Porras detail their research into visionary companies, which were denoted as such using a broad-based CEO survey. After using these survey results to identify long-lasting visionary companies, they also picked comparison companies, operating in similar sectors and of similar longevity. Several business myths were busted—no need for charismatic founders or CEOs, for example.

In addition, it was shown that not only had these visionary companies greatly outperformed the broad public market, they had outperformed their comparison companies (which had also outperformed the market). Given the length of time it took Collins and Porras to do their research, the time period they investigated for stock market performance covered Jan. 1, 1926 to Dec. 31, 1990.

The broad market performed at a 9.7 percent CAGR (compound annual growth rate) over the period, the comparison companies had an 11.1 percent CAGR, and the BTL (built-to-last) companies had a 14.4 percent CAGR. Over 65 years, these returns add up: If one had invested in the BTL companies over the time period, weighting each company equally, one would have ended with over 15 times the accumulated money, versus if it had been invested in the broader market.

## DO THESE RESULTS STILL HOLD?

Given that over two decades have passed since the research was done, I thought it would be good to see if these BTL companies still had what it takes. I started the investment clock at Jan. 1, 1991, when Collins and Porras had left off. Given our own publication strictures and my research limitations, I stopped the clock on Aug. 1, 2014.

The results will amaze you! (Check out the graph on page 9 and the chart on page 10.)

To be sure, there are only about 23.5 years of returns, so one doesn't get the eye-popping differences seen

in the book, which showed the results of 65 years of outperformance.

What have the overall returns been like for the subsequent period? For the S&P500 index, the CAGR is 7.6 percent, which isn't too shabby considering the roller-coaster economic environment. The BTL companies were not too shabby themselves, with an 11.2 percent CAGR. But check out the comparison companies! They outstrip the BTL companies with their 13.0 percent CAGR!

Well, unlike Collins and Porras, I'm being deliberately deceptive. To see why, check out the individual companies in these groups, and how they've individually performed. There is a severe survivorship bias.

Of the 18 BTL companies, I could find some major form of them still traded, and could get enough data to estimate CAGR. Only Marriott gave me trouble because it had split itself into two companies in 1993. I followed the larger piece that still used the MAR stock ticker. Several of the BTL companies were components of the Dow Jones Industrial Average at the time the book was published and still are, and one of the groups (Walmart) was added in 1997. While a few are stinkers compared to the S&P 500, 15 out of the 18 companies outperformed the broader market.

On the comparison company side, we see results all over the map. Most notably: I could calculate returns for only eight out of the 18. Two of the missing companies were acquired by the BTL companies (in the case of McDonnell-Douglas, it was acquired by the company it was being compared to). Some were difficult to follow, as they were carved up into various pieces, sometimes completely going defunct. I could have included GM in my calculation ... somehow. You may have remembered the company going bankrupt, and then later reissuing stock in 2010. If I had included GM, the comparison group return would have been pulled down somewhat.

Maybe Collins and Porras really were onto something.



The timing of the publication of the book was an important one—one of their “visionary companies” had fallen onto hard times around the time the book had come out. IBM had just lost an astonishing \$8 billion in 1993, a record-setting loss at the time (oh, for those halcyon days). Lou Gerstner was brought in as CEO from outside the company, and indeed from outside IBM’s sector—which broke one of the BTL “rules” of success: home-grown management.

This is what the authors had to say about the move:

“How does this massive anomaly fit with what we’ve seen in our other visionary companies? It doesn’t fit. IBM’s decision simply doesn’t make any sense to us—at least not in the context of the seventeen hundred cumulative years of history we examined in the visionary companies.”

I think I have some insight as to what happened. You see: I’m an IBM kid.

## THE IBM WAY

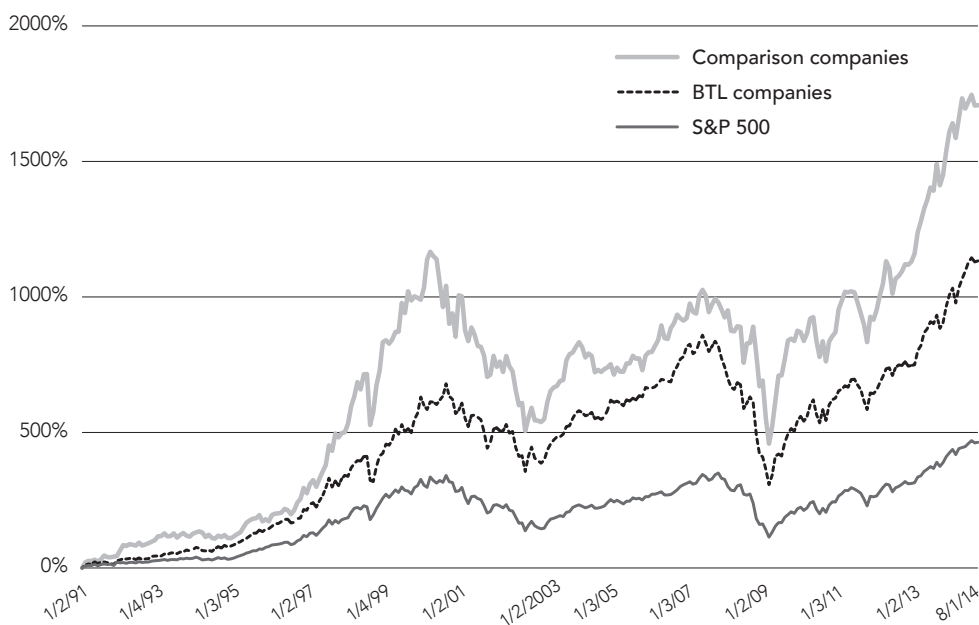
First, a note.

I got my copy of *Built to Last* via a book sale at my local library in North Salem, New York. Checking the copyright page, I see this hardcover was a first printing—probably bought in 1994. This was a privately owned book, not a discarded library book. Whoever had owned the book had gone through and highlighted every single IBM reference.

This is hardly surprising. After all, IBM is headquartered in Armonk, New York, only 20 miles away from the library. More to the point, there is an IBM building in Somers, the immediately adjacent town to North Salem. I bet someone at that IBM office had bought this book in 1994, trying to figure out what had gone wrong. They especially highlighted the items about Lou Gerstner. They also highlighted some non-specific-to-IBM lines: “It is

How does this massive anomaly fit with what we’ve seen in our other visionary companies?

STOCK PERFORMANCE COMPARISON, CUMULATIVE RETURN



Data source: Yahoo Finance

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absolutely essential to not confuse core ideology with culture, strategy, tactics, operations, policies, or other noncore practices ... the *only* thing a company should *not* change over time is its core ideology....” While these lines aren’t IBM-specific, it does point to some of the troubles IBM was going through in 1994.

But back to me.

I come from an IBM family. My father was a systems engineer at IBM, first working in Savannah, Georgia (seven years), then moving to Atlanta (four years), Baltimore (three years), and then finally Raleigh, North Carolina. My maternal grandfather had been an account manager at IBM, having gotten his first big break by being given the 3M (another BTL company!) account when they lived in St. Paul (he similarly moved around: St. Paul, New Canaan, Memphis, Indianapolis, and finally Orlando). My mother’s three brothers all worked at IBM. My mother’s oldest sister, Mary

Pat, was head of a division producing technology and programs for disabled people.

At summer family gatherings, I would sit and listen to my dad talk with my mother’s siblings about IBM goings-on while my retired grandfather would remark on the executives he had known, who were still there. In the early 1980s, it was very exciting. While I still wanted to be an astronaut as my first-choice career, having visited the IBM buildings (replete with skirt suit and requisite floppy tie ... as an 11-year-old), I could see the allure. I could work at IBM if the astronaut gig didn’t work out.

But in the late 1980s, it was obviously going wrong. When my dad had his first managerial posting, in Baltimore, it was clear that was a toxic office. The most notorious event I recall was my dad having to fire somebody else’s direct report, because the actual manager could not handle it. Top management was completely disconnected from

BTL Companies	CAGR since 1/2/1990, as of 8/1/2014	Comparison Companies	CAGR ... or Fate
3M	11.4%	Norton	Acquired by a French company, 1990
American Express	14.1%	Wells Fargo	16.1%
Boeing	9.4%	McDonnell-Douglas	Merger with Boeing, 1997
Citicorp	5.5%	Chase Manhattan	15.0%
Ford	8.2%	GM	Went bankrupt, reissued stock in October 2010
GE	9.8%	Westinghouse	Dissolved, 1999
Hewlett-Packard	11.3%	Texas Instruments	14.9%
IBM	9.6%	Burroughs (became Unisys)	-0.6%
Johnson & Johnson	12.9%	Bristol Myers Squibb	8.9%
Marriott ( <i>Marriott split in 1993, following MAR</i> )	13.6%	Howard Johnson	Various bits sold off over time, primarily part of Wyndham now
Merck	9.3%	Pfizer	12.1%
Motorola	7.0%	Zenith	Went fully private, 1999
Nordstrom	12.0%	Melville (became CVS)	10.7%
Phillip Morris ( <i>became Altria</i> )	15.7%	RJR Nabisco	Separated the tobacco and food companies, pieces sold off over the years
Proctor & Gamble	11.7%	Colgate	14.4%
Sony	0.2%	Kenwood	Japanese-listed, couldn’t get return data
Walmart	11.0%	Ames	Bankrupt, 1990; defunct, 2002
Disney	11.3%	Columbia	Acquired by Sony, 1988

Data source: Yahoo Finance, Wikipedia

anything going on, whether inside the company or outside it, other than their own internally political games. IBM's lunch was getting eaten by all sorts of upstarts, and the IBM name was losing cachet.

My father ended up working on an internal management review when he moved to Raleigh. The diagnosis: top-heavy, unresponsive management. The group that had commissioned the report said "Thank you very much" and went on as they had been. They didn't really need a report for anything other than to tell interested parties (i.e., the board) that they had investigated the matter. Further study was required.

This is why somebody external had to be brought in. The board of directors couldn't trust any of the top insiders. They needed someone who would make a clean sweep, and Gerstner did. There was precious little deadwood at the top when he was through. Perhaps an insider could have done the same, but there wasn't much evidence of the intestinal fortitude to follow through.

## THE WEAKNESS OF *BUILT TO LAST*

This points to one weakness of the book: The items that are highlighted as key to long-lasting success are fairly difficult to sustain. They have to be worked on all the time. Why would one expect the engine of success to keep chugging along given the difficulty of the items required for it to keep going? Exactly how "built to last" is it if one must keep working above and beyond to keep the enterprise going?

In specific, they point out the need for BHAGs (Big, Hairy, Audacious Goals ... really, they couldn't have come up with a better name?). These are specific, bold, clear, and compelling targets, such as aiming to be top in your market even though one is in sixth place (Philip Morris' BHAG). Put a man on the moon within a decade. Those are BHAGs.

Obviously, these are difficult goals to attain; otherwise they wouldn't be audacious (or big ... or hairy). Not only are they not easy to attain, I doubt they're easy to formulate in the first place.

Let's look at how this manifests in IBM's problems. In the epilogue, the authors answer a question about IBM—maybe in the past it was visionary, but events overtook the writing of the book. What was their advice for IBM?

A portion of their response: "IBM committed to some of the most audacious BHAGs in history, including a bet-the-company decision to go with the IBM 360 and render obsolete nearly all of its prior product lines. Bold! Yet then IBM got conservative in the 1980s, protecting its mainframe line. It lost sight of its own past... We'd challenge IBM to once again obsolete itself, to bet the company on the success or failure of that BHAG, just like it did on the 360."

How easy that is to say. In the case of the sclerotic IBM management, they had become fat and satisfied. It is so easy to let success ride, to sit on the "good enough." The main lesson of *Built to Last* is that long-term success is not an accident, that it requires continual, hard work. In the chapter on BHAGs, they note how easy it is to become complacent after achieving a BHAG, so once one is knocked down a new one must be set up.

How exhausting.

The biggest problem in most of these recommendations for success is that they ignore how one gets people to do these things. This is a very high-level book. It will tell you the big things to shoot for, but there's not much there to help with the very practical problem of how to achieve this extremely difficult goal.

## THE STRENGTH OF *BUILT TO LAST*

However, this book is a worthwhile read, even if you don't plan on building your own visionary company, due to its own core strength: solid business research.

It is so rare that I find a book that is so well-constructed in its plan of research, with sufficient notes that one can follow later. I had a great time reading through all the appendices before I even read the middle of the book. Every rebuttal I could think of was found either in the first chapter of the book, in which they set up their plan of research and their process, or in the appendix, where they admit some of the shortcomings.

I have read some critiques of the research done. In specific, about 10 years after *Built to Last*, Phil Rosenzweig wrote his own critique of these types of business and management books called *The Halo Effect*, where he claimed that the very success of the companies by 1990 is what got them classified as visionary companies.

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The main lesson of *Built to Last* is that long-term success is not an accident, that it requires continual, hard work.

However, Collins and Porras did realize that this could be a problem—this is why they picked comparison companies, and this is why they tried to make sure that what they found was really different for “visionary companies” compared to their more pedestrian competitors.

I cannot speak to the subsequent work by Jim Collins, as I haven’t read those books (yet). Perhaps they got far afield of the rigor of the research displayed in *Built to Last* when he wrote *Good to Great* or *Great by Choice*.

However, I think the results of the past two decades have shown that they were onto something when it came to outstanding companies who were outstanding for decades ... maybe even more than

a century. Yes, it takes a lot of work—whether to run such companies, or to research them.

That may be the main lesson—one can never rest if one wants success. That may be an exhausting finding, but it does not make it less true. ●

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# Culture of Personality

By Jamie Shallow

*“You gave me fortune. You gave me fame. You gave me power in your God’s name. I’m every person you need to be. I’m the cult of personality.”*

**O**K, flashback to the 1980s. Does this song ring a bell? Yes, it’s the rather well-known song by Living Colour, “*Cult of Personality*.” The Oxford Dictionary defines a cult of personality (or personality cult) as, “*Excessive public admiration for or devotion to a famous person, especially a political leader.*”<sup>1</sup> So what does this have to do with management and personal development?

Well, I’ve been reading a number of books and articles lately that have a similar tone to each other. These include a book that was used for a culture workshop I recently attended—*Winning Teams Winning Cultures* by Larry E. Senn and Jim Hart. In the foreword to the book, Warren Bennis points out that “*Because of the complexity of the issues we face, we need teams of leaders working toward a common purpose. We no longer live in a world in which individual stars can carry the day on their own. To truly succeed, we need high-performance teams and winning cultures.*”<sup>2</sup>

What I understood here is that the success of an organization is really dependent on the *culture*, not some *cult of personality*. I may be using the term loosely, but it was an interesting word play to me that I thought hit the theme of the statement. The success of a company is dependent on team success and the foundation of the underlying culture—not on any individual superstar.

Then, later in the first chapter, another profound point made the word play even more interesting. The book noted that “*The success of any change is tied to human dynamics (the culture). And yet, most change initiatives continue to focus almost exclusively on the operational, systems and technical side.*”<sup>3</sup>

So the culture is really the human element, or you might say *personality*—a culture of personality. The

emphasis I drew from this reading, which very well summarized the collection of my recent readings, was the transition of focus from self to others.

Truly, up until the time we become leaders, the focus is very heavily on our ability to stand out—to graduate at the top of the class, to get hired for the job above all others, to be in the top percentage of exam-takers so that we receive a passing score of 6 or better, and to technically perform better than our peers to prove to management that we are deserving of one of the limited number of promotions.

Now, as leader, this really needs to change. To truly be successful at a leadership position, the focus must be on the success of others, and to genuinely establish a culture with an emphasis on human dynamics and team synergy.

No more superstar or *cult of personality*, but rather a *culture of personality*!

## LEVEL 5 LEADER

Interestingly, in the business classic, *Good to Great (G2G)*, one major quality of the great organizations is they have what Jim Collins refers to as “Level



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Again, we see a focus away from showcasing our own technical abilities and increasing our focus on developing the talent of others.

5 Leaders.” The book notes, “*Compared to high-profile leaders with big personalities who make headlines and become celebrities, the good-to-great leaders seem to have come from Mars. Self-effacing, quiet, reserved, even shy—these leaders are a paradoxical blend of personal humility and professional will. They are more like Lincoln and Socrates than Patton or Caesar.*”<sup>4</sup>

The study of the book essentially revealed that G2G companies had leaders who are more plow horse than show horse, and they gave credit to others for successes but took the blame for failures. This is the type of leadership you often see from great coaches of winning sports teams. As you can imagine, this type of leadership impacted the entire culture of the organization.

Similarly, Lynn Good, chief executive of Duke Energy, noted the following in a recent interview with Adam Bryant for *The New York Times*, “*With people at this level of their career, it’s no longer about whether you are the smartest subject-matter expert in the room. It’s whether you can be effective in leading a diverse team. Can you adapt? As you think about developing people through their careers, you’re looking for that transition from being the smartest person in the room—and caring so much about that—to being the most effective. It’s about how to develop a team.*”<sup>5</sup>

Again, we see a focus away from showcasing our own technical abilities and increasing our focus on developing the talent of others. What’s also acknowledged is that there is a career point in time where a transition takes place, so there is some change, transformation, and growth that occur. This is a normal process a leader goes through, but it does require mindful attention and effort to achieve that change in vision. I like how Jeanne Lebens puts it in her article on actuarial leadership:

***“After twenty or more years of positive reinforcement for being smart and working hard, the formula for success seems obvious to any mathematician. And then the rules abruptly change, and the path to advancement is no longer clear.”***<sup>6</sup>

This can be a particularly challenging transition for actuaries, who have been groomed to equate technical expertise with career success. That formula clearly breaks down as the actuary

transitions from skilled professional to leader.

Can you identify the point in your own career where the rules changed? And what have you done to adapt to those changes?

In the next issue, I’ll discuss two other critical aspects of leading through a culture of personality. ●

#### ENDNOTES

- <sup>1</sup> Retrieved from [http://www.oxforddictionaries.com/us/definition/american\\_english/personality-cult](http://www.oxforddictionaries.com/us/definition/american_english/personality-cult).
- <sup>2</sup> Senn, L. E., & Hart, J. 2006. *Winning Teams Winning Cultures*. Long Beach: Leadership Press.
- <sup>3</sup> *Ibid.*, p. 10.
- <sup>4</sup> Collins, J. 2001. *Good To Great*. pp. 12-13. New York: HarperCollins Publishers.
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# Cultivating Alternative Career Paths for Actuaries (and Preparing Actuaries for Alternative Careers)

By Ian Duncan

The Society of Actuaries (SOA) has named a task force (the Cultivate Opportunities Team, or COT) to develop a strategy to promote alternative career paths for actuaries, and prepare actuaries for alternative careers. Over the last decade, the SOA has come back to this pursuit repeatedly in part due to the challenges it presents. One challenge is the limited supply of actuaries (it's a demanding course and the number of actuaries qualifying each year remains relatively low) and the continued demand for actuarial skills in traditional careers. Yes, certain traditional avenues of employment (defined-benefit pension calculations) may have narrowed, but simultaneously actuaries have successfully re-invented themselves by moving into related fields, such as investments.

But the traditional "full employment" market for actuaries is evolving, as has happened to so many other professions in recent years, thanks to regulatory changes, market changes, and a coming wave of new actuaries. Students are increasingly attracted to the profession for its employment security, compensation and intellectually stimulating problem-solving. Within my own university our actuarial program has grown from 40 students in 2010 to 200 in the incoming 2014 class.

The COT is led by Valerie Paganelli, SOA vice president, and comprises a number of SOA board members as well as a representative of the actuarial recruiter community (Sally Ezra) and a former chair of the Forecasting and Futurism Section (Dave Snell). I was happy to join the committee because I have been a nontraditional actuary for a number of years, beginning with management consulting (PwC), then starting companies that performed data analytics, and more recently as an academic at the University of California, Santa Barbara (UCSB). Along the way I also spent a few years as head of clinical research at the Walgreen Company, where I learned that actuaries have a lot to offer a nontraditional employer, which would probably

not have considered an actuary for any role. But the challenge was finding a way to let the employer know what actuaries can do (and getting the first actuary on board). That remains a challenge that the COT hopes to address with a full-scale campaign.

The COT will address two major issues:

1. How to retain students that pass several exams but then abandon the profession, even while often staying within insurance or a related sector.
2. Identifying opportunities for actuaries in "neighboring professions" that serve our traditional markets or that utilize skill sets similar to those of the actuary.

The COT recognized early that we need to assess the demand for and supply of actuaries. I don't believe that the growth we have experienced at UCSB is unique, and the actuarial profession as a whole does not track the pipeline of future actuaries until they enter the exam system. The idea for a survey of universities and employers of actuaries to assess both supply and demand originated with the COT, but was readily supported by other North American actuarial organizations (the Canadian Institute of Actuaries and Casualty Actuarial Society have joined the SOA in supporting the survey financially).

Early results confirm the impression of a changing market: A survey of recent candidates found the most common answer to the question "why have you left the profession?" to be "couldn't find employment in the actuarial field."<sup>1</sup> When I entered the profession more than 40 years ago, it was possible to find an actuarial student job with no actuarial courses at all and no actuarial internship or experience, but with demonstrated numeracy. Now, with a ready supply of students graduating with actuarial undergraduate and advanced degrees plus a number of exams passed, it is becoming increasingly difficult to



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**To move ahead in predictive modeling, we are also taking advantage of an opportunity to partner with the Health Section in the area of health care analytics.**

find an entry-level actuarial position unless you have committed to the profession from day one in university. (I think that this is unfortunate and that we should find a way to help candidates who are “late entrants” to the profession from different backgrounds. Diversity has more dimensions than just ethnic or gender diversity.)

The importance of the alternative career paths initiative to the future of the profession is further evidenced by the creation of a permanent SOA staff business development position to support the initiative. Interviews for this role are being conducted at the time of writing; the individual will be responsible for developing relationships with potential employers, creating opportunities for actuaries to speak at or attend conferences of neighboring professions, and assisting with any marketing campaign that might be aligned with the COT findings.

This is a significant initiative and the COT recognizes that demonstrating progress requires a multiyear effort with specific goals. The COT has chosen two specific goals for 2014-2015:

1. Identifying ways to retain within the profession former actuarial students who have chosen to move into enterprise risk management; and
2. Promoting actuaries within the growing field of predictive modeling.

Sally Ezra, an executive recruiter and member of the COT, has identified a significant demand for actuaries with predictive modeling experience. However, predictive modeling is not recognized as a discipline within the SOA (and its practitioners are spread among a number of different sections). Identifying those actuaries who practice in this area is an important first step. To move ahead in predictive modeling, we are also taking advantage of an opportunity to partner with the Health Section in the area of health care analytics.

The Health Section has independently recognized that health actuarial work is changing rapidly and that analytics and predictive modeling are becoming important components of the health actuary’s tool kit. Early collaborative activities will include developing an inventory of predictive modeling and analytics pioneers and identifying

the nature of their work. Other activities that are likely envisioned include identifying appropriate training and technical course requirements for predictive modelers, and performing a gap analysis with the current SOA syllabus. The Health Section is sponsoring a full-day predictive modeling track at the next Health Boot Camp on Nov. 11. The COT is partnering with the Health Section in staffing that track with expert presenters.

This is obviously a very large topic, and the COT can only take small bites at a time. One challenge that we would welcome input on is:

How exactly do we define a nontraditional actuarial career path?

Previous attempts to define this have proven challenging; at some level, most actuaries probably think that their jobs involve innovation and are in some way nontraditional. We have decided to focus on two nontraditional skill sets (out of the many that we could have chosen) in order to be able to demonstrate success. The two skill sets selected by the COT for initial focus (predictive modeling and enterprise risk management) lead to a second question:

Are enterprise risk management and predictive modeling the most promising alternative areas for actuaries?

Another challenge is the current high demand for experienced actuaries; it may be that most actuaries are content with their current careers and do not feel the attraction of an alternative career path. For those that do so, the rewards can be significant.

We welcome your input on both of the questions above—write to me at [jduncan@sbactuaries.com](mailto:jduncan@sbactuaries.com). ●

**ENDNOTE**

<sup>1</sup> The candidates surveyed were those who passed at least two actuarial exams, passed at least half of the exams they sat for, and passed the most recent actuarial exam they took within the last five years.



# Brand New Me<sup>1</sup>

By Kelly Hennigan

*“All of us need to understand the importance of branding. We are CEOs of our own companies: Me Inc. To be in business today, our most important job is to be head marketer for the brand called You.”—Tom Peters in Fast Company*

**W**hen a company rebrands itself, it could mean a new name, a reinvented website, or even a marketing campaign with a fresh spin. While the progression through the corporate rebranding process may take significant amounts of time, the end result is typically easily recognizable to the public. At a minimum, the corporation’s target audience is aware that the company is undergoing a change—which could be as seemingly trivial as a logo update or instead run deeper into the heart of the company’s values proposition.

As many of us may not have even actively cultivated our personal brand to begin with, how does a non-corporate entity (i.e., a person) successfully rebrand? How do others recognize your personal brand transformation? Does it require a name change? A personal tagline? A logo? A self-promotional marketing video? In further contemplating rebranding, I noticed some common themes:

1. Be authentic.
2. Consistently manage your brand.
3. Manage your social media reputation.

## THEME #1: BE AUTHENTIC

*“Be yourself, everyone else is already taken.”—Writer Oscar Wilde*

A critical component driving the success of personal rebranding is authenticity. Similar characteristics such as being transparent, being accountable, and having the ability to self-define are also imperative to personal brand. By keeping the rebranding message simple and aligned with your current or aspirational role, your department or your workplace, or your career, you will further reinforce its authenticity. Also, if your rebranding message is associated with a skill that supports potential

problem resolution or that reflects an outwardly client-centric perspective, your rebranding effort may be very well-received by work colleagues, particularly during times of organizational stress.

One of the first steps in authenticity is being able to sell yourself on you. Brené Brown, author of *The Gifts of Imperfection: Let Go of Who You Think You’re Supposed to Be and Embrace Who You Are*,<sup>2</sup> moves the reader through this self-reflection process from “What will people think?” to “I am enough.”

Once you recognize and build your own internal brand, you are then ready to outwardly promote yourself to others to further develop your external brand. By being authentic, individuals are able to inwardly understand themselves and subsequently express themselves to others. To rebrand, an individual should focus on his or her strengths, reject weaknesses, and ultimately market any unique or special skill sets to the public.

## THEME #2: CONSISTENTLY MANAGE YOUR BRAND

*“Be so good they can’t ignore you.”—Comedian Steve Martin*

Going through the rebranding effort is an evolutionary process. Maintaining authenticity throughout the journey, as well as consistency and repetition, are prerequisites to conveying your personal brand to yourself and others. Similarly, your brand must be understood—or at least recognized—by all levels of the public. You ideally want to master a skill set such that people can’t help but notice. Cal Newport, a Georgetown University professor, further expands on this concept in his book *So Good They Can’t Ignore You*.<sup>3</sup> He maintains the perspective that what you do for a living is far less important than how you do it.

For example, if an individual has a particular skill set for which he or she wants to be recognized—such as being a strategic thinker—then that person must display strategic thinking skills both inwardly



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**Ultimately, all social media accounts tie back to personal brand, which is equivalent to reputation.**

and outwardly on a regular basis in a variety of scenarios. If work colleagues (particularly those who are influential in the company) are repeatedly witness to these strategic thinking skills in action, then ultimately the strategic thinker will become more broadly recognized. This would first be expected to occur in team meeting settings, then throughout the department, then in the overall business line, and ultimately perhaps even at the organizational level. When others are seeking out that skill set going forward, they will naturally want to involve the individual who has displayed consistent behavior and has built a positive reputation around that skill set.

### THEME #3: MANAGE YOUR SOCIAL MEDIA REPUTATION

*“Owning myself is a way to be myself.”—Media icon Oprah Winfrey*

Outside of our work interactions, the ever-present social media has enabled us to truly own our personal brand. Facebook pictures, LinkedIn profile details, Twitter feeds, etc., all reflect our brand. Social media has a number of tools at our fingertips that easily enable personal brand management. For example, building your LinkedIn profile to reflect specific background experiences or accomplishments, as well as including endorsements received from connections, is a relatively straightforward way to brand yourself.

Social media can both further and hinder the personal branding process. The ability to network with industry task force groups, as well as reconnect with college alumnae and former co-workers, are all examples of how social media can be used to expand your brand. If you have a common name, you may want to consider consistently distinguishing yourself on social media sites via use of your middle initial or middle name to reinforce your brand and set yourself apart from others with the same name.

However, it is important to continually be conscious of your social media presence—particularly posts, pictures and privacy settings—and to manage your social media to a level that you are comfortable with others viewing. Ultimately, all social media accounts tie back to personal brand, which is equivalent to reputation. In this day and age, your

reputation is on display to all of those with access to the Internet—which includes co-workers and potential future employers.

### (RE)BRANDING AND (RE)INVENTING

Rebranding does not happen overnight; rebranding takes time. In the words of playwright George Bernard Shaw, *“Life isn’t about finding yourself. Life is about creating yourself.”*

And, as life goes on, the aforementioned strengths, weaknesses and skills may continue, evolve or perhaps (*gasp!*) become less relevant. When this occurs, new strengths, weaknesses or skills may emerge to fill their void. Individuals must be committed to continuous reinvention.

Rebranding oneself in the workforce at the age of 25 vs. 45 is very different—consider Matthew McConaughey, who spent two decades of his career cast in forgettable romantic comedies (anyone remember *How to Lose a Guy in 10 Days?*). At the age of 44, he realized his days as the romantic comedy leading man were likely numbered. Thus, he began to rebrand himself into a serious actor and started receiving critical acclaim. Earlier this year, he received the best actor Oscar for his role in *Dallas Buyers Club*. Similar to Matthew McConaughey, those contemplating rebranding must empower themselves and simultaneously strategize what is achievable when factoring experience, age, and the time frame of the transformation.

In some cases, individuals may want to rebrand by returning to a core characteristic or skill set that can then be enhanced or appropriately modified to accommodate their current situation. Companies have reverted to this tactic in the past as well.

In 2009, McDonald’s realized that it could better serve customers and improve market share by offering a variety of inexpensive latte and espresso drinks to compete with Starbucks. Thus, the McCafé line was born, with advertising focused on the affordability of the McDonald’s beverages. McDonald’s focus on its core competency of inexpensive prices, as well as the timing of the market entry during the recession, better positioned the company to combat Starbucks.

To further expand on the coffee analogy, Starbucks turned the concept of buying a cup of coffee into a way of life. While a cup of coffee could be purchased at a lesser price from other vendors, Starbucks intentionally charges more to cover the cost of their brand experience. Chairman Howard Schultz stated that the stores aim to “...enhance the quality of everything that the customers see, touch, hear, smell or taste” in an effort to enrich the ambiance and convey the brand to patrons. Both McDonald’s and Starbucks fit within the themes mentioned earlier in this article related to authenticity and overall brand management.

So grab a cup of coffee and begin working toward managing your personal rebranding process. Fortunately, the good news is that the creation of your own Brand New Me doesn’t require a name change, a logo, a tagline, nor a self-promotional marketing video.

In the words of Dave Buck, the CEO of CoachVile, “Your brand is a gateway to your true work. You know you are here to do something—to create something or help others in some way. The question is, how can you set up your life and work so that you can do it? The answer lies in your brand. When you create a compelling brand you attract people who want the promise of your brand—which you deliver.” ●

When you create a compelling brand you attract people who want the promise of your brand—which you deliver.

#### ENDNOTES

- <sup>1</sup> “Brand New Me” is the title of an autobiographical song by Alicia Keys about being completely happy with finding yourself.
- <sup>2</sup> Published by Hazelden in 2010.
- <sup>3</sup> Published by Grand Central Publishing, a division of the Hachette Book Group USA, in 2012.

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# The New C's Employers Expect of Actuaries

By Darryl Wagner



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I had the opportunity to participate in a diversity conference held in Washington, D.C. earlier this year in conjunction with the International Conference of Actuaries. Hosted by John Robinson,<sup>1</sup> the conference brought actuarial leaders from all over the world together to talk about increasing and strengthening the diversity of the actuarial profession. The theme was “what employers look for in actuaries” and featured questions and answers with panels of representatives from employers, actuarial associations and universities.

I was invited to join the employers' panel, and, in preparing for the discussion, developed a list of characteristics that I believe employers look for in actuaries. To make it more memorable, I borrowed from my old exam study tricks and crafted the list such that each characteristic started with the letter “C.” While I did not realize this at the time, C appears to be a popular letter for this kind of list. Many of you may have read John Hadley's article: “The 5 C's of a Powerful Marketing Message”: <http://www.JHACareers.com/The5Cs.htm>. You will notice that there is some overlap between John's list and mine. Coincidence? I will leave it to you to judge.

My initial list included seven items. I was pleased to find the list generated good discussion at the meeting, with a number of great additions suggested by the conference participants. The list has now grown to 10, with a number of cross-references that also start with C:

1. **Core technical skills:** Initially I presented this as **Calculus**, meant to capture the core technical skills needed by actuaries. We could certainly add **Contingencies** to the list as well as many other subjects and topics, not all of which begin with C.
2. **Computational mastery:** Initially I presented this as simply **Computer** to capture the ability to not only perform computations and calculations, but also to program, design, govern and integrate the many computational platforms that support our work.
3. **Curiosity:** While it may have killed the cat, I think most actuarial employers would agree curiosity is something they look for in their actuaries. Certainly, this is important to problem-solving, but also key to our continued professional development. Often, identifying the right questions is more important than finding the answers.
4. **Communication:** No surprise here. The best actuarial work in the world will not have the desired impact if it is not communicated in a way that is effective and understandable. As I like to say, we should aim to understand deeply and communicate simply.
5. **Connecting the dots:** This is a phrase I like to use when describing traits of successful actuaries to those entering the profession. I usually illustrate the point as borrowing from prior experiences to come up with new and innovative solutions to newly presented challenges. Other descriptions we came up with in the discussion include **Critical Thinking, Creativity and Common sense**. We had an interesting debate around whether “common sense” can really be applied to complex actuarial issues. What do you think?
6. **Commitment:** Also described as passion, this was another great addition to my initial list. There are many dimensions to consider here. To name a few: commitment to the profession, to one's chosen career path, to your colleagues, to the many stakeholders we serve, to the public, and to yourself.
7. **Community building:** One of the things I love about being an actuary is the opportunity to work with others, learn from others and, in turn, help others succeed. Other descriptions include **Cultural influence, Collaboration and Coaching**.

**8. Context:** While we need to tend to the task at hand, what often defines success for an actuary is understanding the broader context in which we are operating. Such awareness and understanding empower us to deliver results that are more relevant, impactful and far-reaching.

**9. Conscience:** Another great topic of discussion at the session. The profession needs actuaries with conscience—actuaries who know and/or seek out the right thing to do, and then do it. Our code of conduct and actuarial standards of practice are key elements in defining this, but it does not stop there. Other descriptions around this topic included appropriate application of **Caveats** and **Challenging** our own work and that of others.

**10. Confidence:** Last but not least, it is confidence that often propels actuaries to lead and make their voices heard. And that confidence builds from the successes and failures we experience or observe along the way.

Having presented the list, I'd like to make a couple of observations and then ask for your feedback.

First, I believe this list cuts across both experience levels and the many functions actuaries play. Whether a new actuarial student in a pricing rotation, or a C-suite executive setting strategic direction, the characteristics above apply. Of course they don't apply in equal measure—the new student may be more focused on developing core skills and learning how a process works, while the executive is focused on providing context that leads to conscientious and confident decision-making.

This leads to a second point. The C's build over the course of one's career. In the early years, you are likely focused on building technical skills and learning how to strengthen and apply other abilities such as communication in the business context. Over time, your accumulated experience leads to valuable context and the ability to lead and coach others with confidence.

While this has been an interesting exercise, what is the true value in a list like this? I see a few possibilities:

- Helping actuaries track success through their careers
- Articulating and developing the educational needs of actuaries
- Promoting the “brand” of the profession to potential employers and new entrants to the profession.

I would love to hear your reactions and thoughts:

- Does this match up with your list of what employers look for in actuaries? What would you add or take away? Emphasize or de-emphasize?
- How could such a list be useful to the profession?

Please share your ideas and questions by dropping me a note at [dawagner@deloitte.com](mailto:dawagner@deloitte.com). And certainly let me know if you'd be interested in getting involved with the follow-up on this topic being planned by John Robinson and others involved with the diversity conference. ●

#### ENDNOTE

<sup>1</sup> John Robinson, FSA, is chief actuary at Capital Region BOCES in Albany, New York. John has been involved in actuarial diversity for most of his career. He is a past president of the International Association of Black Actuaries. John and Darryl currently serve on the board of directors of the Society of Actuaries.

**The C's build over the course of one's career.**

# Communicating Internationally

By Sue Blanck



Sue Blanck, FSA, MAAA, is corporate actuary for Aflac and is currently based in Tokyo, Japan.

In 2013, it is estimated that 50.5 million people worldwide worked outside of their home country. That number is expected to grow to nearly 57 million by 2017.<sup>1</sup> An expatriate assignment offers the opportunity to grow your business and professional knowledge, increase your network, and improve your ability to work with diverse groups of people.

However, there are significant challenges working outside your home country that can jeopardize the likelihood of success. One of the biggest challenges is communication, especially when the assignment is in a country with a different native language. Focusing on learning the art of clear communication will greatly improve your results and increase your ability to adapt effectively to your new surroundings. Understanding and utilizing some simple tips will help increase your probability of success:

- Communicate in a structured way when speaking and using email—Framing your thoughts in a bullet-point style will allow you to clarify your points prior to speaking or writing them. While valuable, a free-flowing discussion can be very difficult for non-native speakers to follow, which will limit their

ability to contribute valuable information to the discussion.

- Try to eliminate non-essential words—Using the minimum number of words necessary allows the listener to quickly identify and understand the important parts of the message.
- Avoid using jargon and arcane words (like arcane!)—Using words that are not familiar to your audience will hurt the effectiveness of your message and may cause people to give up on trying to understand your communication.
- Remember to proofread and correct misspelled or missing words—A native speaker will understand that you meant “read” when you typed “reed” because the words and context are very familiar. However, a non-native speaker may not be able to make that leap.
- Summarize conclusions of any discussion in writing so that everyone can review and correct any misunderstanding. Written language is typically easier to understand than spoken language since the reader can take the time necessary to read and review the communication. Summarizing the conclusions will ensure that everyone is on the same page moving forward.
- Speak slowly and clearly.

Remember to use your new-found communication skills when you return to your home assignment. The same techniques that are so essential internationally will make you that much more effective at home. ●

## ENDNOTE

<sup>1</sup> [http://www.finaccord.com/press-release\\_2014\\_global-expatriates\\_size-segmentation-and-forecast-for-the-worldwide-market.htm](http://www.finaccord.com/press-release_2014_global-expatriates_size-segmentation-and-forecast-for-the-worldwide-market.htm).

# A Formula for Networking Success: 1 Healthy Mindset + 3 Basic Facts + 5 Simple Tips

By Denise Mills

**M**ost people acknowledge that networking is an essential competency for business success. And yet many cringe at the very thought of a room full of strangers engaging in small talk, glad-handing with feigned interest. But that image, and that mindset, is a very limited perspective of only one stereotypical networking activity.

Networking is about connecting to information, resources, and to other people through relationships. For example, think about the different steps and stages throughout your career—starting as early as a recommendation of which college to attend, to that first job out of college, to an internal promotion. Networking played a part in the opportunities that were presented to you and where you got the information that affected your choices and, ultimately, your decisions. Simply defined, networking is *friends helping friends*. And in a broader sense, *people helping people*.

So what's the formula for networking success? It starts with a healthy mindset, a few facts and some simple networking tips.

## ONE HEALTHY MINDSET

How you think about networking will directly affect your results. If you think it's hard to do, you will make it hard for yourself. If you think it's a waste of time, it will be. However, if you change your perspective and think that you can learn something from everyone you meet, you will. You will engage in conversations that are interesting to you and you will develop meaningful relationships along the way.

## THREE BASIC FACTS

**Fact #1:** You already have an established network—in fact, many of them. Your family is a network; your co-workers, your college friends, and your children's parents are all networks. The people you see at church and any event that you attend on a fairly consistent basis are all in your network. Start by asking your closest friends for introductions to people who you're interested in meeting. They'll be honored that you asked.

**Fact #2:** No matter how uncomfortable you feel, someone in the room is more uncomfortable than you are. Pause and look around. Notice others who are standing alone, looking bored or out of place. Engage in conversation with them, starting with "What brings you to this event?" or "How do you know the host?" Be prepared with quality questions for a more meaningful conversation. (See tip #5 below.)

**Fact #3:** When you meet someone new, you both already know someone in common. In 2011, Facebook scientists determined that the 1967 study of six degrees of separation is now globally 4.74 degrees of separation. In the United States alone, it's less than three degrees.

## FIVE SIMPLE TIPS

- 1. Be purposeful: Know your why.** Why do you feel you need to network? What are the benefits of developing new relationships at this stage of your life? What information or resource would be invaluable to you at this time? The answers to these questions will help you prioritize where to spend your networking time and energy.
- 2. Be aware: Create your comfort zone.** What is your networking style preference? One on one? Small groups or larger functions? What type of events do you enjoy most? Structured with a facilitator or unstructured networking where you're on your own? Choose events that fit your style. Attend events where you'll feel comfortable and the people who attend are the people whom you need to meet. This can easily be accomplished by calling the event organizers or by replying to the email invitation you received. Another option is to attend events with someone you know.
- 3. Be intentional: Do your research.** Who do you want to meet? Who has the information that you need to know? Go where they go. If you want to meet bankers, then attend the Banker's Association events. CPAs have a state organization with many local chapters. If you



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Everyone's style and comfort zone are different when it comes to networking.

want to meet business people, then your local chamber is a good place to start. Chambers also sponsor specialized events for target audiences such as business leaders, small businesses and women's events. And don't forget about networking internally and developing relationships within your organization as well.

**4. Be prepared: Call ahead.** Increase your comfort zone by knowing more about what you're walking into. This can be easily accomplished by calling the event organizer to learn more about the event. How many people do they expect to attend? Is it a stand-up cocktail event or will there be tables? Is there a speaker? If so, plan to stay a few minutes after the presentation as often the speaker's topic creates great conversation. You may even choose to introduce yourself to the speaker after the event

as they are typically subject matter experts who might be of value to you.

**5. Be meaningful: Engage in quality small talk.** Create a short list of questions that align with what you need and what you're interested in talking about. Ask questions such as "What are the current trends in your industry?" "How does technology affect the way you do business?" "What key data points drive your business?" This will create meaningful conversations wherever you go.

Everyone's style and comfort zone are different when it comes to networking. Adapt the tips above to fit your personal style. Developing quality relationships through networking will be invaluable to you throughout your career. ●

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# Are You a GREAT Boss?

By Brian Pauley with Chris Edmonds

If someone asked, “Are you a great boss?” how would you respond?

Through a blend of humility and uncertainty of where you actually stand on the greatness continuum, you would probably hesitate to say “Yes.” Most would probably say they are a good boss. Few would admit to being a bad boss. In fact, bad bosses probably don’t strive to be bad—they either don’t realize it, or do realize it and fail to do something about it. Regardless of where you stand, if you desire to improve as a boss, this article is for you!

What does it take to be a great boss? To assist with this topic, I have the pleasure of bringing corporate culture expert Chris Edmonds to *The Stepping Stone* readers. Chris is the author of the book, *Be a GREAT Boss—The Five Secrets to Inspiring Trust and Respect in the Workplace*.

**Brian Pauley (BP): Chris, what is your definition of a GREAT boss?**

Chris Edmonds (CE): We’ve all had good and bad bosses in our past. Some of us have been lucky enough to have enjoyed one or two GREAT bosses along the way. I define a GREAT boss as a leader who creates a safe, inspiring work environment where team members work together to apply their knowledge and skills to WOW customers, day in and day out. There are two important pieces to being a GREAT boss—consistent high performance by team members and the team, plus a safe, inspiring work environment for every team member.

**BP: You mention inspiring work environments. Why do so many work environments fail to inspire?**

CE: Most work environments are lifeless and dull. Many work environments are frustrating. Why are so few work environments safe, productive and inspiring? It’s primarily because bosses don’t pay attention to workplace inspiration. If bosses have been taught anything, they’ve been taught to focus on production and results, not on team member enthusiasm, commitment or sanity.

Team members need to understand the context for their work—to understand why their work is important, and who cares if their work is done well. GREAT bosses communicate that frequently—they help team members understand the team’s purpose—its reason for being—values and behaviors, strategies and goals.

**BP: If bosses are interested in learning where they stand with their employees, how might they go about doing that?**

CE: As Ken Blanchard says, “Feedback is the breakfast of champions.” Great athletes study their every move to see where slight enhancements can help them perform better with greater efficiency and less pain. They watch the film of their performances and learn from past efforts, successes and mistakes.

Leaders need to “watch the film,” too. They need to learn how others—their bosses, peers, team members and customers—perceive them. These key players have opinions about what that leader is doing—what he or she could do more of, less of, or better—and how that leader could serve more effectively.

How can leaders learn from others? They need to ASK—and make it easy for people in their “sphere of influence” to share perceptions. Leaders need a variety of “learning perceptions” channels, like an employee survey, customer survey, informal focus group or one-on-ones.

Leaders need to make it safe for people to give them corrective feedback. Once they get feedback, they need to thank players for offering their insights—and they need to share their plan for refining their behavior, based on that feedback.

Leaders can try out my free online Great Boss Assessment (<http://drtc.me/gba-1>).

**BP: In your book, you discuss the GREAT acronym to identify the five key outcomes on which great bosses focus. Tell us what your research has found.**



**Brian Pauley, FSA, MAAA**, is outgoing vice chair of the Management and Personal Development Section Council. He is an actuary with a passion for leadership and personal development. He can be reached at [bepauley@gmail.com](mailto:bepauley@gmail.com).



**S. Chris Edmonds** is the founder and CEO of The Purposeful Culture Group. Chris provides high-impact keynotes, executive briefings, and executive consulting and coaching. He has authored seven books, his latest being *The Culture Engine*, published by Wiley in September 2014. His blog and podcasts can be found at <http://drivingresultsthroughculture.com>.

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Aligned values help create a safe, inspiring work environment where everyone does their best, willingly, every day.

CE: Over 30 years of experience and research have enabled me to identify the five key practices that GREAT bosses consistently use to build trust and respect in their work environment. I call these the five secrets of being a GREAT boss.

Conveniently enough, they are easily remembered—they form the acronym GREAT.

**GROWTH**—GREAT bosses create avenues for team members to build skills, learn new approaches, and put those skills into action in the workplace.

**RELATIONSHIPS**—GREAT bosses create and maintain positive relationships with team members, during every interaction. In addition, they demand civil, positive relationships between and among team members.

**EXCELLENCE**—GREAT bosses set high performance expectations and coach team members to exceed them, every day.

**ACCOUNTABILITY**—GREAT bosses know that consequence management is the avenue to high-performing, values-aligned teams. They hold themselves and team members accountable for their commitments.

**TEAMWORK**—GREAT bosses know that cooperative interaction among team members maintains trust and respect more than competitive interaction. They create norms that enable sharing of information, skills and support across their team.

**BP: In my opinion, something that separates great from average or even good bosses is their attention to an organization's values. In your opinion, how do GREAT bosses treat organizational values as a part of their work?**

CE: GREAT bosses create two sets of expectations for teams and members. Performance expectations are important—they create financial success and allow the enterprise to maintain itself. Values expectations are equally important—they create a work environment based on trust, dignity and respect.

Most bosses do not have experience with values expectations or values accountability. They only know performance expectations and performance

accountability—and, many leaders don't do these well.

GREAT bosses make values behavioral—they define terms like “integrity” and “teamwork” in observable, measurable terms. Valued behaviors are easy to model and easy to see.

Aligned values help create a safe, inspiring work environment where everyone does their best, willingly, every day.

**BP: I believe good bosses are effective with delegation and in holding others accountable. But, what do GREAT bosses do differently?**

CE: GREAT bosses delegate authority and responsibility to team members who demonstrate high performance and values alignment. They don't delegate to learners—that's unfair! Once learners evolve into values-aligned “do”-ers, they've earned the right to that authority and responsibility.

GREAT bosses must hold themselves to high performance standards and high values standards FIRST. Only when they model both sets of expectations do those bosses earn the right to demand alignment from their team members.

GREAT bosses stay close to the “pulse” of their organization—they pay attention to how the team is operating, not just how it's performing. Accountability isn't a discussion that happens once a month—those discussions happen daily. GREAT bosses listen and learn to understand the demands on their team members and refine plans based on the reality of the moment.

**BP: Let's talk about teamwork a little bit. I would consider teamwork an abused word in most corporate cultures. How do GREAT bosses turn teamwork from cliché to high-performance fuel?**

CE: Most team members were hired because of past accomplishments and current skills. They may not know how to be effective team members. Cooperative interaction may be something they've never seen in a workplace before!

GREAT bosses help team members demonstrate effective team membership skills, like listening,



problem solving and cooperating. Once those skills are mastered, GREAT bosses help team members demonstrate effective team *leadership* skills, like facilitating, coaching and aligning players and skills.

One thing I've seen many GREAT bosses do to boost teamwork is to refine team member incentives. If team members are purely compensated for individual contribution, teamwork will suffer. If GREAT bosses want teamwork to be a normal way of operating, they shift compensation so at least half of team member incentives are based on the team's success.

You get what you reward. If you want demonstrated cooperative teamwork, you must value and reward it.

**BP: Someone reading this article might say, "This is great, but I'm not a boss yet." This is a fair point. But, I'm sure there are things he or she should be doing right now to be prepared for that day. What do you recommend here?**

CE: Everyone has influence in a work environment. GREAT bosses love GREAT team members. Individual contributors can act in ways to further GREAT practices, no matter their role in the organization.

One of the most important GREAT team member factors is to keep your promises, to demonstrate a commitment to your commitments. That's integrity at its finest—doing what you say you will do. When team members are able to do that, they can leave at the end of their shift or day with their heads held high.

**BP: Last, but not least, I want to talk about your new book, *The Culture Engine*, a must-read for aspiring GREAT bosses. What can those of us with GREAT boss aspirations look forward to in the book?**

CE: I'm very excited about *The Culture Engine*, which was published by Wiley in September 2014. The book presents a framework to help leaders create workplace inspiration in their team, department, division or company.

That framework is an organizational constitution—a formal document that outlines the team's purpose (reason for being), values and behaviors, strategies and goals.

I present a step-by-step guide, including worksheets, that will help leaders create their organizational constitution and help their team leaders and members align to it.

Readers can learn more at <http://thecultureengine.com>. ●

**Everyone has influence in a work environment. GREAT bosses love GREAT team members.**

# Six Things Highly Productive Leaders Do

By Barbara Taylor



**Barbara Taylor, CPCU,** is a partner at JanBara & Associates, a consulting company focused on individual and organizational performance. We work with companies to hire and develop people with the right talents, behaviors and skills to execute their business strategies successfully. She can be reached at [btaylor@janbara.com](mailto:btaylor@janbara.com).

In today's business world, we have the ability to get a multitude of data continuously. This is perhaps nowhere more prevalent than in actuarial work. Interestingly, this doesn't equate to actuaries feeling more in control. Adversely, this "easy" access to information has added more stress—with employees feeling they have less time and a never-ending list of demands. Our technology has increased the potential for making contact but has decreased overall communication.

One way people try to deal with all the stimuli is to multi-task or go into an auto-pilot mode. Neither of these are effective—and both contribute to wasted time and unnecessary errors. Our brains can actually go into overload. Attention Deficit Trait (ADT) is when there is a brain traffic jam. ADT occurs most often when the tasks require similar types of thinking. Symptoms of ADT are:

- Distractibility
- Impatience
- Hard time setting priorities
- Making poor decisions
- Inner frenzy
- Trouble staying organized
- Difficulty managing time.

Multi-tasking is actually a myth, but it is so well accepted in today's world that people think they should strive to multi-task as often as possible. When you try to do two things at once, you either can't or you won't do either well.

There is a Russian proverb, "If you chase two rabbits, you will not catch either one." Success actually comes when we do a few things well and really focus. It's narrowing the huge list of things you *could* do and instead dealing with the things you *should* do. Instead of trying to spread your attention, the secret is actually the opposite—to

determine what the most important priorities are and then complete these with the utmost attention.

Below are six areas that can allow you to take more control of your work life—and they look deceptively easy. They are not. They are, in fact, the beginning steps to make you more effective and successful.

- 1. Stop multi-tasking!** No, seriously, stop. Switching from task to task quickly does not work. Successful multi-tasking is a myth. Studies<sup>1</sup> show that a person who is interrupted takes 50 percent longer to accomplish the task. Additionally, your errors can increase by 50 percent.
- 2. Schedule your email.** This is harder than it seems, especially in today's world where commercials tout getting data milliseconds before anyone else. However, if you want to be more effective, don't let the data rule you! Pick two or three times during the day when you are going to use your email.
- 3. Work on your own agenda.** Don't let other people's agendas set your day. When most people get to their desks, they go right to their emails and get caught. Yes, you will end up answering all the emails in your inbox, but will accomplish nothing! Instead, first thing when you arrive in the office, write down the one to three priorities you need to focus on that day and stick to them as best you can. (If you're really good at this tip, you will have already identified your priorities before you left the office the day before.)
- 4. Be militant about eliminating distractions.** If you are a manager, let your people know that there will be blocked-out times during the week when you are not to be disturbed. If you hear the email, IM or text sirens calling you, put them in sleep mode or, if needed, go to a quiet area so you can focus on completing one task.

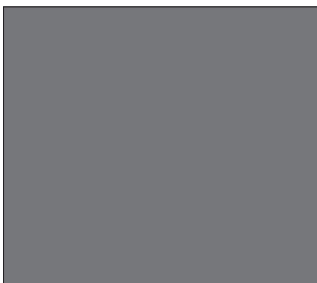
5. **Use the phone!** Email and texting aren't meant for *conversations*. Don't reply more than twice to an email. Pick up the phone (or go to their office if on-site) instead and connect with the person more directly.
6. **Work in 60- to 90-minute intervals.** Our brains (and bodies) are not programmed for high-focus or attention marathons. Our brains use up more glucose than our other bodily activities. Typically, we will have used most of it after 60 to 90 minutes. That's why we feel so burned out after super long meetings. So, make yourself take multiple breaks throughout the day. Get up, go for a short walk, have a snack, do something completely different to recharge.

Don't try to immediately implement all six at once. You can become overwhelmed and end up going right back to your original behaviors. Sequence them. Identify one or two tips you want to focus on first. Get good at these and then slowly add the remaining tips. You will be amazed how much more productive, effective and successful you will become. ●

**Use the phone!  
Email and texting  
aren't meant for  
conversations.**

#### ENDNOTE

<sup>1</sup> Source: Rogers, R.D. & Monsell, S. 1995. Depth of Processing and the Retention of Words in Episodic Memory. *Journal of Experimental Psychology: General* 124(2): 207-231.



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# The Wisdom of Siddhartha: Think, Fast and Wait

By Sophia Dao



Sophia Dao is AVP & actuary at Genworth Financial. She is also the incoming chair of the Management & Personal Development Section Council. She can be reached at [Sophia.dao@genworth.com](mailto:Sophia.dao@genworth.com).

Imagine yourself at a job interview, and your prospective employer asks: “What skills do you have? What can you do?” You respond: “I can think. I can fast. I can wait.” Do you think you’d get the job?

Siddhartha<sup>1</sup> did. In his search for enlightenment, Siddhartha, a son of a Brahman, tried different things, including becoming an ascetic, following the Buddha, hanging out with a famous courtesan, working as a businessman, and finally becoming a ferryman. During his time living as an ascetic, Siddhartha learned three important life skills—think, fast and wait. That was how he got a job as a businessman and went on to be a very successful one.

What does this have to do with you, an actuary who is trying to succeed in a competitive and demanding field? In this fast-paced world of instant gratification, self-indulgence and just-do-it mentality, we can all benefit from doing a little more thinking, fasting and waiting.

## THINKING

As actuaries, we are paid well for our ability to think. Almost anyone can push buttons or follow procedures. Ever more jobs are being replaced by machines. Even now, I hardly interact with a live person anymore when I call a large corporation. I have a robot cleaning my house, and my smartphone acts as my travel guide. With technology making leaps and bounds in new discoveries, our life is getting easier, but our livelihood is being threatened.

Luckily, robots can’t think. This is where we add value to business and to society, and secure our future. Recently, a co-worker from the claim area, after finding out that I’m an actuary, asked to shadow me. He’s interested in having the “inside look” into what an actuary does. My first thought was “How can you watch someone think?” My second thought was “What do I really do (beside pulling my hair out and hitting my head against the wall)?”

All kidding aside, this particular incident makes me

think about what we, actuaries, do for a living. It is true that most of us are good at math and working with Excel spreadsheets, but that’s not what we are paid “big bucks” for. The higher up you go, the more you spend your day thinking of ways to solve business problems, big and small. Robots cannot do that, at least not yet. Therefore, it’s important that we continue to apply and grow our capacity to think. Otherwise we’ll eventually be replaced by robots.

As for that co-worker from claims, I found another actuary, whose role is more aligned with that co-worker’s interests, to help him out. I hope that he learned more than hitting his head against the wall!

## FASTING

In Siddhartha’s days, human needs were very basic: food, drink and shelter. Thus, if one can fast, argued Siddhartha, one can have greater control of his or her life by not being pressured into doing things for food.

Applying this principle to modern day, the ability to fast means the ability to abstain from material desires. For example, if you have big mortgages and giant bills to pay every month, you always feel the pressure to hold on to a job, no matter how much you hate it. You may even be willing to compromise your principles for a steady income. On the other hand, if your needs are few, you can make decisions based on what’s right and what’s good for you.

I think this is good advice for everybody. If you think about it, most of us don’t really need all the things that we possess or want to possess. For example, I haven’t seen anyone die from not watching TV or not owning the latest iPhone. I moved recently and realized that I didn’t need half of the things I owned. While I’m not a confirmed minimalist yet (far from it), I’m working on my “fasting.” The less material things you need, the more freedom you have.

## WAITING

Why wait? Because good things take time to materialize. It takes time to master new skills. It

takes time to build relationships. It takes time to establish a good reputation. If you don't master the art of waiting, you will feel disappointed constantly. Or, worse, you will rush into things only to face a crushing failure shortly after.

Consider this scenario: Jim and Joan are co-workers and are both new FSAs. Both are good workers who have a lot of potential, but they lack experience. When their boss, the team leader, quits, Joan applies for his job and gets it, since Joan is very convincing and senior management doesn't want to lose her.

Joan has never managed anyone before. Now she's in charge of a 10-people team. Due to her lack of experience, the job is too demanding. She works long hours and neglects her family, jeopardizing her marriage. After six months, Joan gets burned out. When she makes a 50-million-dollar mistake on the job, she gets fired. This experience makes Joan lose confidence in herself and feel discouraged to go after other opportunities at that level.

On the other hand, Jim doesn't think he's ready for the job and, hence, doesn't apply for it (even after the position is open again due to Joan's firing). Instead, he focuses on improving his existing skills and learns new ones. He gradually assumes more responsibilities and earns a good reputation among his peers, subordinates and senior management. A few years later, when the team-leader position is open again, Jim is the obvious choice. He excels in his new role and gets promoted again a few years later.

Now, you may argue that it's not wise for Jim to wait because he may not get another opportunity again for years. I would disagree. There are a lot of opportunities for superstars, no matter what company you work for. If you are a true superstar, doors will open for you. That's why it's wise to focus your energy on achieving "superstar" status, rather than chasing after roles that you are not ready for. Succeeding in the latter may give you instant gratification, but succeeding in the

former will give you long-term, continuous career advancement and personal satisfaction.

So, are you ready to think, fast and wait? Perhaps you are not ready to boast those skills to your prospective employers, but possessing them may help you get the job you want. More importantly, they may help you have a better, less stressful life. ●

#### ENDNOTE

<sup>1</sup> Siddhartha is the protagonist in Herman Hesse's acclaimed novel, *Siddhartha*.

**If you don't master the art of waiting, you will feel disappointed constantly.**

# How to Be the Boss (Without Firing Yours)

By Darcy Eikenberg



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**W**hen you were a kid, did you ever put your hands on your hips and furiously yell, “YOU’RE NOT THE BOSS OF ME!”

I did.

Now, as a fully formed grownup in the world of work, do you ever wish you could yell it again?

If you’re like many of my clients, you do. One told me after he gets a disagreeable request from his boss, he actually imagines stamping his feet in protest, “channeling my inner 7-year-old.”

As kids, the person bossing us might have been the true boss of us (especially if it was Mom, Dad or Grandma with the switch). But today, too many people believe that the boss in their office is the boss of them. They believe what the organization chart says.

But I believe differently.

**I believe you are the boss of you.**

But only if you give yourself the job.

## WHY YOU MUST BE THE BOSS OF YOU, NO MATTER WHAT YOU DO OR WHERE YOU WORK

Admittedly, there’s a lot of benefit in letting someone else be the boss.

- *It’s easier to take direction from others.*
- *It’s easier to let someone else make hard choices.*
- *It’s simpler not to figure out the “why” and just move ahead with the “what.”*
- *It’s safer not to be held responsible when things go wrong.*
- *It’s more fun to criticize after the fact than to do the work to figure out what should be done in the first place.*

But in today’s world of work, deferring “boss-dom” to someone else carries a great deal of risk:

- *Risk of wasting time doing things that you know from experience won’t work.*
- *Risk of investing energy in things that aren’t in your superpower space, don’t belong on your plate, and distract you from doing your best work.*
- *Risk of losing confidence when badly laid plans go bad.*
- *Risk of losing money when your raises, bonuses and promotions are only influenced by someone else’s words.*
- *Risk of contradicting your own values and making you feel frustrated, confused, or even worthless.*
- *Risk of losing control over your long-term career, time and efforts.*

## So how can you minimize those risks?

Some people mistakenly think the only way is to quit their job and start their own business. But that’s not for everyone, and takes careful planning and patience to be successful.

Others think hope is a strategy, as in “I hope my boss gets transferred / promoted / fired / an embarrassing skin disorder.”

**The ONLY way to minimize the risks—no matter what your role or your company—is to become the boss of you.**

## HOW TO BE THE BOSS OF YOU: THREE STRATEGIES TO USE NOW

*But how do I be the boss of me? What about my real boss?*

Just because you have a boss on paper (or perhaps several given our matrix-mapped organizations) doesn’t mean you can’t be the boss of you. In fact, great bosses value people who are actively taking action and assuming personal responsibility like a boss.

And if you have a bad boss, your life at work can instantly improve when you start focusing on being



the boss of you. Here are three ways to get started.

### 1. Know who you are and who you aren't.

Great bosses are super clear on their superpowers and where they add value. You can have this same clarity.

To really know who you are and what is unique, special and amazing about you, take time to figure out:

- *What is your vision for your career—and for your life?*
- *What are your talents, skills and abilities?*
- *Which of those talents and skills do you love to use and which would you prefer to never use again?*

Knowing these things serves as a guidepost for the kind of boss you want to be, the kind of value you bring, and most importantly, the kinds of projects/people/situations where you should steer clear.

### 2. Know what's most important—and what's not.

In my work with individuals and teams in large organizations, I see too many people trying to do it all and please everyone. That's flirtin' with disaster.

I'm all for hard, focused work on the right things. But scattered, distracted work on too many things is creating a corporate crisis.

**Falsely believing that everything is important is creating overwhelm, distraction, stress and errors.** It's also masking the true need for talent in the workplace, since leaders can't see the depth of holes in their team when work gets done miraculously because you're sucking up both the urgent and the trivial.

Don't be misguided and think that your heroics will be rewarded. The heroic thing to do is to get clear on what's really important at work—to you and to your organization. Then, start investing your time and energy accordingly.

To get there, ask:

- *What do I value at work?*

- *What does my organization value? (Not sure? Look at what behaviors it rewards.)*

- *Where do the two of those intersect?*

When you become the boss of you, you can use this data to make better decisions, to say no appropriately, and to explain your decision process to others. This is also how great bosses start conversations about how to create long-lasting change at work.

### 3. Know you always have a choice.

Did you realize that you have a choice whether you'll show up for work each day? A choice as to whether you'll answer a question posed to you? A choice about what's on your to-do list?

To be the boss of you, you must recognize that everything you do, say and think is a choice. You control those things.

And each choice has a consequence:

- *The consequence of not showing up for work may be getting fired—or someone realizing how much you're needed.*
- *The consequence of not answering a question may be making the asker angry—or allowing the asker to rethink it.*
- *The consequence of not letting everything stay on your to-do list might be letting things go undone—which may be a problem, or exactly what needs to happen.*

### Start looking at everything you're doing as a choice—a choice you, as the boss of you, control.

So, if your manager gives you an unpleasant assignment, executing on it is a choice. Re-negotiating the unpleasant parts about it is a choice. Not doing it is a choice, too. All have different consequences.

When you're the boss of you, you make the right, sometimes hard, choices, based on who you are and what's most important to you. But in the end, the choices are yours. And that's something to be proud of. ●

**To be the boss of you, you must recognize that everything you do, say and think is a choice.**

# The Zen Actuary Installment 4: "Embrace the Chaos"

By Rich Lauria



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***Author's Note:** This is the continuation of a series<sup>1</sup> adapted from the book *Awake at Work* by Michael Carroll, covering the application of Buddhist teachings to situations encountered in a modern corporate workplace setting. This series addresses challenges frequently encountered by practicing actuaries.*

**T**he title of this installment should resonate with every actuary's professional instincts. After all, the profession's livelihood depends on the uncertainties and vicissitudes of life's highways and byways. If life could be completely tamed by human intervention, all would be predictable, and the need for vehicles to protect against the unpredictable would disappear. There would be nothing for actuaries to price, reserve and manage!

Uncertainty spells opportunity. And for the practicing actuary, this extends to one's work environment, relationships, devices, models and output. On the surface, this seems a bit of a stretch. How does uncertainty manifest in a day in the life of an actuary? The work environment is temperature controlled and comfortable, colleagues are typically cordial if not outright friendly, and the tools used to perform actuarial work are designed and programmed to specifications. But some modest reflection brings to mind several examples of best-laid plans gone awry:

- The network goes down.
- We're suddenly reporting to a new boss.
- That rate filing we painstakingly spent weeks to perfect generates a dozen challenging questions from that state regulator with whom we thought we had a meeting of the minds.
- Our new highly touted valuation system that we promised senior management would solve all those anomalies of the prior system is producing reserves 10 percent higher than expected, and we are on the clock to get those reserves booked to ledger.
- That experience study we spent six months developing is indicating counter-intuitive results.

- The stock market corrects, and adjusting the hedging positions per our dynamic strategy is proving almost impossible due to market conditions.
- Our main competitor comes out of left field with a brand new rider that is sure to be a big hit with the brokers that we rely on for distribution.
- That acquisition target we have been coveting and for which we spent numerous late nights over the past year meticulously building and tweaking the purchase model, has reached agreement with a private equity firm. So much for the expense saves and revenue synergies we have been calculating to the nearest penny.

The truth is that there are very few workdays that pass without at least a modest surprise. Some of them are even upside events, such as that online rate reduction from a key reinsurer, or that new social media site generating twice as many quote inquiries as projected. How do we deal with the unexpected when it turns up in our work?

- Do we stay the course, or change direction?
- How do we factor uncertainty into our project planning?
- Given the curve ball that will inevitably come our way, is planning a complete waste of time?

Being awake at work means remaining present and accepting whatever comes our way. We still construct our plans and build our models. We design our process flows and craft our frameworks. These tools are the foundation for our work and provide great value in getting our jobs done successfully. But they should be seen as continual works in progress subject to the ongoing winds of change, for it is the unexpected that opens up the possibilities for something greater than even our best-intentioned plans can offer us, our clients and our employers.

The natural tendency when the unforeseen shows up is to resist what is going on, especially if it appears undesirable. We want to reject what is happening, to close our minds off and make it something other than what it is. If we can stay present and simply be with the situation, we can look at it objectively and perhaps find the opportunity to transform it into something better:

- Our competitor's new strategy becomes an impetus to review our distribution approach, eventually paving the road to a more cost-effective means of getting our products to the marketplace.
- That regulator's question about our asset adequacy analysis points us to an implicit assumption in the modeling driving unintended conservatism.
- That reorganization just announced better aligns risk management with strategic planning, improving the links between the economic capital model and the business plan.
- That unexpected result from the experience study generates several new ideas in product design.
- And that large client we failed to sign frees up capital to pay down debt, improve leverage ratios, get the company's ratings upgraded, improve the company's standing in the brokerage community, and ultimately increase sales and the share price.

There are many tools available to help develop the ability to stay present when chaos arises. Sitting meditation is one such tool. In sitting meditation, we assume a comfortable posture and select an object on which to focus our minds. The breath is a common focal point. We simply sit and observe our breathing, not judging or analyzing it. When we first begin doing this, we notice how challenging it is just to remain present for a couple of breaths. Before we know it, our mind has wandered to our to-do list, or back to that difficult meeting we had yesterday, or looking forward to that next vacation. We observe that the mind would pretty

much rather do anything else than observe the breath. The key is to not lose patience and get frustrated.

When we realize the mind has wandered (and this happens frequently even to experienced meditators), we gently guide our attention back to the breath. Maybe we sit and observe it for four breaths this time before heading off to fantasy world. The key is to stay with it and notice the mind's tendency to wander. A few minutes each day can help us get acquainted with our minds, and begin to develop the mindfulness muscle needed to come back to the present when our minds spin out of control after getting hit with that unpleasant surprise. We can supplement this practice by purposely stopping in the middle of our day and pausing for two or three conscious breaths. Even doing this one or two times each day can go a long way to staying present.

Embracing the chaos in our actuarial careers ultimately means letting go of the need to control and orchestrate every activity in our workday. It means facing the fear of not knowing what will arise next, and accepting that despite our best efforts, we are not masters of our domain. As we grow in our awareness of this reality, we find that this is not only the way it is, but that it is preferable to what we think we want—a fine-tuned clockwork environment where every action and statement goes according to our script. For coming to terms with work's unruliness allows us to see how the unexpected offers us the chances to grow professionally that we are continually seeking, as well as to construct a landscape for creating additional value in our various actuarial tasks. We can finally relax and let go of that need for perfection and work with what we have, exactly as it is.

Embrace work's chaotic moments and unlock the door to a more challenging and rewarding actuarial experience. ●

**Embracing the chaos in our actuarial careers ultimately means letting go of the need to control and orchestrate every activity in our workday.**

#### ENDNOTE

- <sup>1</sup> The first three installments in the "Zen Actuary" series, "Balancing the Two Efforts," "Be Authentic" and "Don't Just Check the Box" were published in the November 2013, February 2014 and August 2014 issues of *The Stepping Stone*, available online at [www.soa.org/mpd](http://www.soa.org/mpd).

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