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## What Would You Do? What's the Real Offer?

By John West Hadley

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

I need your help in crafting 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 it into a simple case study, being careful to ensure no one is identifiable.

### WHAT'S THE REAL OFFER?

Sam had been an FSA for three years, working in a variety of areas in a large insurer. However, he felt he had been stagnating a bit in his more recent role, and was ready to make a change. A friend who was an actuarial consultant introduced him to Frank, a senior actuary at an accounting firm, telling him that they were looking for someone like him, and he thought it would be a good fit. Sam agreed that the job sounded like an interesting challenge that would provide him a growth opportunity, and after a series of interviews, he was offered the job.

Sam thought carefully about the offer. Sam felt that his current salary was well below his market value, but the base salary would only be a notch above his current pay, and the bonus Frank told him to expect

was about 10 percent. This certainly didn't seem to make it worth a move to a role that would require extensive overtime during an extended audit season each year, so Sam decided to turn down the offer when he called Frank back on Monday.

On Friday afternoon, Sam received a call from Robert, Frank's boss and one of the firm's principals. Robert hadn't been able to reach Frank (who was traveling), and he wanted to check in on where things stood, since he was very interested in having Sam join the team. Sam shared his concerns with Robert.

Robert explained that Frank was being very conservative, and had quoted him the average bonus a new accountant would receive. However, Robert recognized that actuaries were in a class by themselves, and he was the one who signed off on all actuarial bonuses. He assured Sam that he should expect a bonus at least double that.

With the higher bonus, the compensation was in line with what Sam had been seeking.

What would you do? ●

John Hadley is a career counselor who works with job seekers frustrated with their search, and professionals struggling to increase their visibility and influence. He can be reached at [John@JHACareers.com](mailto:John@JHACareers.com) or 908.725.2437. Find his free *Career Tips* newsletter and other resources at [www.JHACareers.com](http://www.JHACareers.com), and watch for his upcoming book, *Cruising Through Executive Interviews ... To Land That 6 Figure Job You Deserve*.

# the stepping stone

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To join the section, SOA members and non-members can locate a membership form on the Management and Personal Development Section Web page at [www.soa.org/mpdsection](http://www.soa.org/mpdsection).

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# MPD Opportunities

By Jennifer Fleck

There are a lot of exciting changes coming up for the Management and Personal Development (MPD) Section this year. Our mission statement starts with “The mission of the section shall be to plan, implement and actively promote management and business skill development for members, using a variety of channels.” This year is shaping up to expand on those channels for content delivery to you.

## PODCASTS

If you are anything like me, you’ve got a pile of reading material on the side of your desk for when you get time. Of course, *The Stepping Stone* is my favorite of those newsletters that I receive, but there are still a few of those in my pile that I haven’t finished. To help with that pile, we are going to begin reading them to you. Simply subscribe to our podcast, and you can download selected articles to play back from your iPhone or other portable electronic device. Then you can listen as you drive or work out. Watch our LinkedIn site for more details when they become available.

## WEBCASTS

The MPD Section is planning to host some webcasts in 2014. Our first will be a joint venture with the Actuary of the Future Section and is directed toward newer actuarial students, offering tips and advice on how to start their career on the right foot. If you have ideas for other topics that you would like delivered in a webcast format, please drop me a line and let me know.

## E-COURSES

The Society of Actuaries (SOA) has recently launched 27 new Business Skills e-Courses from Skillsoft. You can purchase a package of five courses customized to your own development needs, at a negotiated discount price through the SOA. There are a variety of courses covering detailed topics in Leadership, Relationship Management & Interpersonal Collaboration, Strategic Insight & Integration, and Communication. I have signed up for my five already. Watch future issues of *The Stepping Stone* for a review of the classes. To learn more, go to the SOA website. Select “Access My



e-Learning” under “My Account” on the left-hand side of the page.

## MEETINGS AND NEWSLETTERS

Don’t worry, we will continue to bring you powerful content through SOA meetings and here in *The Stepping Stone* as we always have. Look for us at the Life & Annuity Symposium, the Valuation Actuary Symposium, the Health Meeting, and the Annual Meeting. Contact me if you are interested in speaking at any of these meetings or would like to try your hand at writing for *The Stepping Stone*.

## ON-THE-JOB EXPERIENCE

If you would really like to get some leadership experience firsthand, consider joining us on the MPD Section Council. Watch for emails from the SOA seeking candidates for the upcoming elections in August. Or just contact me and I can tell you more about what it’s like to be on a section council. My three years are almost at a close. It has been a great experience for me and has provided me with many opportunities to practice my leadership and networking. ●



Jennifer Fleck, FSA, MAAA, is chairperson of the Management & Personal Development Section and AVP—Large Case Actuary at Unum in Portland, Maine. She can be contacted at [jfleck@unum.com](mailto:jfleck@unum.com).

## Reader Feedback

**L**ance Poole wrote an interesting article for our February 2014 issue titled “Get Emotional.” He received this feedback from readers:

*“Say, I really enjoyed your article in The Stepping Stone. It reminded me of when I worked with annuities years ago, and I would realize that the company was more profitable if folks died early. It made me think—those are real people... someone’s mother, father, grandma, grandpa, etc. We do need to use our right-brains too and not lose sight of the people behind the statistics.”*

Jamie Shallow, Associate Director, UnitedHealth Group

*“I just wanted to email you and congratulate on the publication of The Stepping Stone article! I truly enjoyed reading it and it gives a perspective that you usually do not see in actuarial publications.”*

Kamilla Svajgl, Principal & Consulting Actuary, Milliman

And Stephen Huppert (@stephenhuppert) sent out this tweet:

*“A great article from @lancepoole reminding us to be more connected to impact your business has on your customer.”*

You can catch up on Lance’s article and all of the rest of the content in that or any recent past issue on the SOA website at:

<http://www.soa.org/news-and-publications/newsletters/management-and-personal-development/pub-management-and-personal-development-details.aspx>.

We love to hear your comments (good or bad) about anything we publish in *The Stepping Stone*. Drop me your thoughts at [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com).

—John West Hadley, Editor

# What Would You Do?

## Responses to "Do You Make the Offer?"

By John West Hadley

In the February issue of *The Stepping Stone*, I posed the question "What would you do?" to the interview situation below. Here is the situation, 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).

### DO YOU MAKE THE OFFER?

Tim interviewed Joe for an officer-level role within his Actuarial operation. Tim and his boss (the chief actuary) were equally impressed with Joe, and were discussing what offer to make him, when the CEO stopped by. He had also interviewed Joe, and said that while he agreed that Joe was top-notch, he was concerned that he might not fit in with the company's "old guard" leadership. He didn't say not to hire him, just expressed a concern, and Tim's boss left the decision up to him.

Would you extend Joe an offer?

#### Actuary #1

First, I would be thankful that the CEO provided a candid assessment. It is not uncommon that folks couch their concerns in such veiled language that it is often difficult to decipher. Obviously, the CEO's perspective is valuable and (s)he will have great bearing on your career, so any feedback from above you in the chain of command is to be seriously considered.

Second, I would discuss the CEO's comments with my boss, who likely has worked longer and more directly with the CEO. That perspective on the context of the CEO's remarks will be valuable. Having the CEO's support is important to my boss as well.

Third, I would seek out the CEO, with my boss's permission, of course, since I am skipping him in the chain of command, to further explore the concerns. What is the significance of the "old guard" in the company? Is the CEO part of this group?

Fourth, I would analyze the situation. What is the culture of the company? Has the CEO/your boss/others railed against the old guard or tiptoed around them? What is the power base of the old guard? Does the CEO like to surround himself with people who agree with him/her or does he invite constructive dissonance? Some of these questions have implications for Tim's career at the company as well as his decision.

Finally, I would make the decision and talk to my boss, framing it as a recommendation, unless I've decided to go hell-bent-for-leather (not recommended), in which case, I would inform my boss of the decision. If I do decide to hire this person, I would talk to both my boss and the CEO about the steps I will take to ensure that the CEO's concerns do not materialize.

#### Actuary #2

I would follow up with the CEO to determine if there was a strong opinion on hiring. The last three CEOs I have dealt with all have made comments along these lines in various situations, and usually with a follow-up question or two, I have been able to find out if they have a strong opinion, or just casual concern.

If that wasn't possible, I'd go with the hire. A top-notch candidate gets the work done, which generally makes my life easier. As Joe's boss, I feel I could manage the situations where Joe interacts with the "old guard," and could work with Joe on learning the corporate culture and how best to work with management until he can build his reputation.

#### Actuary #3

There are so many possible details in this scenario that might tip the scales either way. It seems clear that a job offer was going to get made and any second thoughts are only as a result of the CEO's comments. So first, Tim and his boss should discuss



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**A fresh set of eyes can make a difference in a company that has stuck to its “old guard” mentality.**

whether they agree with the CEO that Joe might not fit in with the leadership, and what is the likelihood of that assessment being accurate?

If they disagree, then I would proceed with an offer and also let the CEO know that we did not agree with the CEO’s assessment.

If they agree with the CEO’s assessment, the next question is whether that will actually affect Joe’s duties:

- Will Joe initially be impacted by the leadership?
- What is the chance that the leadership style will change by the time Joe will need to work with the leaders? What is the chance that Joe will have changed?
- If Joe does challenge the leadership, how will the leaders react?
- Do they welcome challenges and differences in opinion or do they demand sycophantic behavior?

(In my career, I only worked with three leaders who welcomed challenges. With the rest—the vast majority—I found it best to just stay quiet. But it took me a long time to learn that behavior.)

If the style of leadership is considered to play a small part in Joe’s work, I would still make the offer. Otherwise, I would consider asking Joe to return for another interview that would focus solely on how he would deal with the leadership style.

#### Actuary #4

Everyone agrees that Joe has the skills level to do the job. The misalignment comes from a culture fit. There are a few things to clarify before making a decision:

- What matters most to the company, culture or skill? Based on the CEO statement, I think he/she wants to make sure there’s a culture fit.

- Does the company want to keep the “old guard” mentality or not?
- Based on the CEO’s statement, there could be a major clash between Joe’s style of leading and the company’s culture.

At the end of the day, skills are not what determine success, but rather the person’s ability to connect with the people in the company and the culture.

In this case, after getting clarification from the CEO, I would most likely make the offer with the condition that Joe will have to work at finding alignment between his views and the company’s vision.

A fresh set of eyes can make a difference in a company that has stuck to its “old guard” mentality. The new generations are changing the way business is done. Companies need to adapt and fresh blood may be the way to blend the old and new.

In general, a culture fit is much more difficult to manage than skills. It’s more difficult to change behaviors than to train skills. If for whatever reason the company doesn’t think Joe will align, and they want to stay the same “old guard,” then Joe will not be the best choice.

#### Actuary #5

It takes courage to put the merits of a person or situation before the ill-considered opinions of people in positions of authority. The CEO, however, is owed the respect of his position. From the sound of things Tim and his boss don’t plan to make an on-the-spot offer to be able to gain an extraordinary candidate before someone else steps up to employ him. If time permits, then, common courtesy would be to send the CEO a memo telling him that you plan to hire Joe and explaining why.

Frankly, though, if the CEO’s “old guard” thinking is indicative of the organizational leadership, then it’s time for Tim and his boss to be looking for new employment. In business competitors are

always innovating, seeking to surpass the “old guard” and to better meet human needs. Tim and his boss should want to be in the vanguard of visionary thinking for the future. It sounds like they are trapped in a stuffy “old guard” enterprise that will give them little job satisfaction and is likely to falter and lag, caught up in the cobwebs of the CEO’s conventional thinking. Time to bail out while it’s still possible.

If time is of the essence, then I’d go ahead and make the offer and let the chips fall where they may. If the CEO is displeased with the decision, then this is not an organization in which people are going to thrive. Cronyism is not a good approach to business leadership. It’s time to move on and to find new opportunity. Talent can always find a home.

#### Actuary #6

The CEO has to know his comment is likely to discourage an offer to Joe, so I would look carefully to see if the CEO had a personal friend or other candidate he strongly favored, or some other personal criteria in mind (church activity, etc.). Unless Joe committed some professional offense unlikely from the write-up (e.g., deliberately insulted the CEO’s secretary), the CEO seems to be looking for someone else for personal or style reasons. If Joe is superlative, or there is an urgent need and a lack of similar candidates, I’d get my boss’s agreement and make the offer anyway, recognizing the need to justify it to the CEO.

#### Actuary #7

The CEO’s comment about the “old guard” might be significant or it might be nothing to worry about. Since the CEO is responsible for the culture of the company, it is strange that he used that expression. Was it used in a pejorative sense, or in a comradely manner? If the CEO was indicating he considered the leadership to be calcified, then I would examine whether and why I myself “fit in” with the “old guard.” Maybe it’s time to take a hard look at my own situation.

But if the CEO used the expression “old guard” in a friendly, brother-in-arms manner, then I would proceed with the hire. Presumably the chief actuary, Tim’s boss, is part of the old guard, and she was fine with Joe’s “fit.”

#### Actuary #8

The “old guard” comment from the CEO sounds highly discriminatory and the company could be sued if it didn’t make an offer. And since both Tim and the chief actuary (the two that would actually have day-to-day contact with Joe) were impressed with Joe and ready to make an offer, I think they should follow that course.

HR needs to be aware of the CEO’s comment so that they can review the company’s hiring and promoting practices. If Joe takes the offer, he may find it difficult to be promoted, and thus the company is still vulnerable to being sued.

#### Actuary #9

I would call Joe back in for a final interview to explain more about the company’s leadership culture. I would share my experiences within that culture and ask for Joe’s comments. I would then discuss these comments with my boss. I would lean toward extending the offer unless there was a clear sense that the leadership culture would negatively impact Joe’s performance.

#### Actuary #10

I’d review my notes one more time with cultural fit in mind, as well as demonstrated ability to work successfully with different types of people. If my boss and I were comfortable with Joe’s fit within the Actuarial department, both short and long term, I’d move forward with an offer, but plan to provide coaching regarding interactions with other senior leaders. I’d also ensure Joe had an accurate picture of the organization and its current culture to help him with his acceptance decision. Given that Tim and his boss both wanted to hire, and certainly were aware of the “old guard” situation and challenges,

**I’d review my notes one more time with cultural fit in mind, as well as demonstrated ability to work successfully with different types of people.**

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**I believe cultural fit is extremely important for a successful hire, but may not get enough attention in the interview process.**

they likely already considered any development needs before the CEO offered his thoughts.

In general, I believe cultural fit is extremely important for a successful hire, but may not get enough attention in the interview process. Many of us find the demand exceeding supply for our senior actuary roles, so when we find someone with the right technical skills and experience, we may gloss over the less-tangible soft competencies and fit for the role and future roles. We do ourselves and the candidates a great service if we improve our interviews and hiring decisions to focus as much or more on non-technical experience and potential, and personality fit within the department and organization, built on the base of technical expertise.

Actuary #11

I don't think Tim has enough information to make an appropriate decision. Knowing that both he and the chief actuary were impressed, he has solid grounds to make an offer. However, Tim needs to have a meeting with the CEO to better understand his concerns. His wording of the “old guard leadership” is quite concerning and these concerns need to be answered. I would delay the decision

until I can have a good discussion with the CEO to understand the motivations behind his concerns.

Actuary #12

I would not decide against an offer solely on the CEO's comment, unless the CEO is passive/aggressive and I knew from experience that this is his way of expressing disapproval.

I would reconvene with the chief actuary to evaluate the merit of the CEO's assessment. If we agreed that fit is a concern, then I would continue the search. Otherwise, I would hire Joe.

Determining the importance of fit is challenging. Much of that assessment will depend on the nature of Joe's prospective role:

- How much interaction and collaboration with the old guard leadership is required to be successful in the role?
- Does Joe need to be liked to be productive?
- Does he have an independent streak, or does he have to be on the right team to leverage his top-notch strengths?

Complicating this assessment further is what is needed immediately versus longer term in the role, and Joe's ultimate career aspirations. The fit issues may be less concerning early on because the role is more technical or directly managing a group of students with little interaction with leadership. However, two to three years down the road expectations may ramp up and leadership feature more prominently. If that's the case and I had concerns about Joe's fit, I might still hire him and spend time early on coaching Joe about how to best work with leadership. It's hard to turn down top-notch talent and I would want to make sure that the fit issue was one that had significant risks about it before passing on Joe.

Actuary #13

The CEO's concern about the applicant not fitting in with the company's “old guard” leadership could be extended to other business situations where the CEO's direction and opinion are not clear to the employees. Tim and his boss owe it to themselves and the company to get a clearer understanding of



what the CEO is intimating and need a sit-down with the CEO to better understand his concern. This should give them a chance to appreciate the CEO's views. If a clearer perspective around Joe's shortcomings arises, from the CEO's viewpoint, and they don't agree and can't convince him otherwise, Joe should be taken out of the running.

Perhaps for another day, Tim and his boss need to figure how they can live with the CEO. I know people who do this all the time!

#### Actuary #14

If I thought Joe would fit into my team, I'd give him the job. I struggle to envisage a situation where I liked someone who would upset the old guard and where I approved of the old guard. So if he would upset the old guard and fit into my team, I imagine I would have already upset the old guard at some point.

The phrase "old guard" is also quite leading—that makes it sound very much like something that should be upset. I wouldn't employ someone that I knew would have a personality clash with someone they work with every day.

#### Actuary #15

Make the offer to Joe, and if he takes the offer (or asks for more details about the management situation), try to head the issue off as early as possible ... or at the very least, let Joe know what he's walking into.

There may be unavoidable conflict, but it would be a good idea that Joe not be blindsided by the "old guard" problem. In addition, given Joe would be your hire, it would be your responsibility to protect/defend Joe, at least initially.

It seems to me that it's more likely the "old guard" wouldn't like Joe if one thinks Joe will try to change things. So many people don't like substantive change. And even inconsequential change.

#### Actuary #16

Seeing how the CEO and hiring managers in the actuarial department all think he is "top-notch," I would say there is little risk of him actually upsetting management.

#### Actuary #17

Make the offer, ask the CEO what exactly he meant and tell him that you plan to "develop" Joe to fit in.

#### Actuary #18

Dealing with current management is a pretty crucial part of job performance at the officer level. It all depends on whether I like the direction management is going currently and how long it would take to find someone of the same caliber. If I think change is needed fast, then I'm not worrying at all about this. If I generally like what management is doing, then I would not hire Joe if we could reasonably expect to find someone of the same caliber within three months.

### WHAT REALLY HAPPENED?

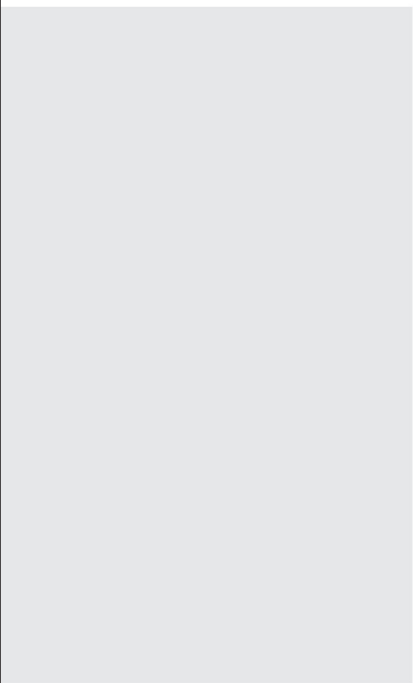
Tim and his boss talked through the situation, and agreed that they could not afford to pass on as good a candidate as Joe. Joe accepted the job, and Tim and his boss worked with him on navigating the company leadership. Joe did an outstanding job, gained wide respect at the company, and fostered needed change. To this day, Tim considers Joe one of his best hires. ●

**Dealing with current management is a pretty crucial part of job performance at the officer level.**



# BizLibrary

Communication  
Relationship Management  
Leadership



The SOA is now offering **BizLibrary online** video/audio business skills courses. The purchase of a single license allows access five of the 26 offered courses for one year.

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***SOA.org/bizlibrary***

# A Business Owner's Look at Business Planning

By Joe Nunes

I started my business 16 years ago. In the years that have passed I have read a lot about how to run a business. However, I have learned as much or more from trial and error as I have from reading. Here are the practical insights I've gained over the years on planning for business.

## MAKE A PLAN

When I started out, I made a one-page plan. I won't share the intimate details of that plan—but given that it was only a page you can visualize that it wasn't very detailed. As I look back, it would have been wise to have a more detailed plan. Google was just emerging when I started. Today you can Google “business plan” and you will get 1.63 billion links in 0.24 seconds. Somewhere in there you will find a template that suits your needs and covers the bases: revenue, operations, finance, etc.

The key to a good template will be its ability to help you explain to yourself and to others where clients and revenue will come from, how you will build and pay for the product or service, and how you will finance the operation. All of this leads to a “return on investment” and tells you whether it's a good investment or not. Of course there will be intangibles that can't be measured—there may not be an economic return from being the boss—but you might gain a peace of mind that is worth more than money.

A clear plan does two things for you. First, it forces you to write down what product/service you plan to offer and identify the market (and pricing) that you expect to serve. This means that instead of being distracted thinking about these things after you “take the leap,” you can turn your attention to execution. Second, if you write down your plan, you will be able to go to some trusted friends and advisers and ask them what they think. If a stranger showed you my one-page plan and asked you if you thought it would work, you would probably say “I don't know.” There wasn't enough of a roadmap there to be clear.

There is a balance between jumping before you look and looking so long that you never jump. I

can't tell you how to find that balance but I can tell you to look for it so that you don't get caught in “analysis paralysis.” The key is to do your homework and make a decision—“go or no go.” Don't plan forever.

## PLAN FOR FAILURE

I remember beating myself up when I made a \$100 mistake. I thought I needed that giant stapler and then a week later I realized that I needed a binding machine instead of a giant stapler—the stapler was quickly made obsolete. When you have minimal cash reserves and even less income, wasting \$100 hurts.

The point though is that you should expect these mistakes and not spend any energy worrying about them after you make them. I now make \$1,000 mistakes every few months and I spend less than a minute berating myself before I move on. While it is good to reflect on your mistakes to learn from them, at some point you need to just accept them and focus on what you can do better in the future.

Don't go into business for yourself if you demand perfection. I can guarantee that you will have some failures. The key is to keep the cost of those failures from putting you out of business and to learn from those failures so that you don't make the same mistake three times (there will be some mistakes you make twice before you see the pattern).

## PLAN FOR CHANGE

Regardless of how brief or detailed you make your plan, things are not going to go as you expect.

My original plan was centered on the idea of work-life balance. I was going to earn less than the top consultants in Toronto—but I was going to work less doing so. By the time we had a small handful of clients I was working long hours even though I wasn't earning a lot. What had come into vision that I didn't see as part of my elaborate plan was the need to develop systems and templates that would help me long term, but which a client wouldn't pay me to build in the short term. All of this meant



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**There is a balance  
between jumping  
before you look and  
looking so long that  
you never jump.**

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**You need to have the mindset that you are going to succeed to give yourself the confidence to continue in the face of adversity.**

extending the number of years in which I would struggle financially.

The other thing that changed along the way was the size of the business. I planned for the business to grow from a one-man shop to a total of 2.5 people—the plan was clear: one actuary, one pension administrator, and 0.5 secretarial/administrative support. By the time I was five years into the project, demand for our services finally started to pick up. No longer was I working long hours to develop the business—now I was working long hours to deliver the work that I had promised. I now had a choice—start turning away work or hire more staff to meet the demand.

I assure you that we thought about this question long and hard—more staff ultimately would mean more income—but it also would be an infringement on the freedom I craved and at the same time would require a new level of investment. I say “we” because by that point in time I had a full-time partner with whom I was sharing the big decisions. Ultimately we voted to add more staff and to invest again to grow the business. This decision wasn't for the money; it was because in the world of defined-

benefit pension plans there was definitely a sense that you couldn't count on 10 clients to keep their pension plans in place for the 30 years I had left to work before retirement.

### PLAN FOR SUCCESS

Starting your own business might be easy and you might not hit a single bump in the road—but if that happens to you, you will be one of the very lucky ones. For most, there will be challenges and setbacks. So here is the thing—you need to plan to succeed; you need to know that you are going to overcome the challenges and win the race.

Why is this so important? The reason is that you are going to face difficulties that you didn't expect—if you expected them you would have planned for them and they wouldn't have become difficulties. Most of the challenges will be problems that you have never seen before in your career—some of them will appear to be “make or break” situations for the business. If you go into this thinking that you “*might* be successful” then all of these challenges are going to have you wondering if this is the moment when you need to pack it in. If you ask yourself too often if it is time to pack it in, eventually you will.

Some accuse me of being a “delusional optimist,” while others call me a “driven entrepreneur.” Either way, you need to have the mindset that you are going to succeed to give yourself the confidence to continue in the face of adversity.

This has been a long week for me with a difficult transition to a new computer system. We have kept up our productivity through the ordeal, and we are nearly out the other side to a new state-of-the-art platform—but there were some tough times this week at which point it would have been easy to quit if I wasn't fully committed (and fully invested) in this adventure.

### PLAN YOUR SUCCESS

I mentioned earlier my central goal of a nice work-life balance. I am smiling at this thought as I sit in



the office on a statutory holiday using the time to catch up on work that I couldn't get done during the week. I probably could have stayed home today but my teenage boys have taken to sleeping in until lunch so I am not cutting too deeply into family time being here this morning.

The bigger point is that if things go well you might be very successful—but if you are not careful you might not get the success that you set out to achieve. You might have more clients, more revenue, and more staff than planned, but it might come with less free time (my situation). My kids are still young enough to think that success equals money—although one of them is starting to think that money is more of a means to an end rather than the goal itself.

I now spend much more time trying to build relationships with my family that I neglected in the busy years, and I go to the gym three or four times a week trying to rebuild a body that I have neglected, so that it will carry me for the next 30 years. Although from the outside I appear to be

“successful” my success is not as well-rounded as I would like, and I am trying to make up ground in areas that haven't had the attention in the past that they deserved.

When thinking about defining success I tell my kids three things:

First, define success carefully so that when you get there you are happy with what you have.

Second, plan a lifestyle based upon the income you will earn doing what you want to do—don't plan to earn an income doing something that you don't enjoy to support a lifestyle that you don't want or need just because someone else has that lifestyle and tells you that you should too.

Third, eat well and exercise your body—regardless of what you choose to do in life, you need a healthy and strong body to get you there. ●

**You might have more clients, more revenue, and more staff than planned, but it might come with less free time (my situation).**

# Staying Relevant in an Analytics-Driven Market

By Margaret Resce Milkint



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**Already, Jacobson's labor study shows analytics outranking actuarial talent in terms of demand and likelihood of hiring.**

Analytics, big data and predictive modeling are red-hot buzzwords and compelling mandates in the insurance industry. Companies are realizing the powerful insights that analytics can contribute and are clamoring for top-quality analytics professionals. According to The Jacobson Group and Ward Group's 2014 Semi-Annual U.S. Insurance Labor Outlook Study,<sup>1</sup> analytics ranks in the top five most in-demand job functions as well as in the top five areas where companies are looking to increase staff throughout the upcoming year.

Companies now see analytics as a tool to stay ahead of the curve and gain a leg up in the market. IBM recently reported<sup>2</sup> that nearly three-quarters of insurance companies believe that big data and analytics will give them a competitive edge, while a survey<sup>3</sup> of the Chartered Institute of Loss Adjusters showed that 82 percent of industry professionals believe that organizations that do not utilize big data will become uncompetitive.

Regardless of company size or focus, the desire for rich data assets and analysis has created a focus shift toward predictive analytics and data modeling. As this demand continues to increase, how does actuarial experience and perspective fit in? How can actuaries ensure their skills remain relevant in the growing world of analytics?

## PROPERTY/CASUALTY COMPANIES LEADING THE WAY

The use of predictive analytics in the property/casualty (P/C) industry reaches as far back as the early 1990s, when companies began using analytics for rating and underwriting. In fact, P/C actuaries have stood at the forefront of analytics and have been deploying increasingly sophisticated mathematical techniques to calculate financial risk for years. Today, analytics is a vital part of the ever-growing P/C industry, permeating into marketing, underwriting and claims functions. This embracing of analytics and big data has led to greatly improved efficiency and consistency, particularly in its revolutionary application to marketing and claims.

## LIFE AND HEALTH COMPANIES FOLLOWING CLOSE BEHIND

While the life and health segment has lagged in embracing analytics in comparison to its P/C counterpart, currently there is a force for change moving it forward. More and more companies are realizing the benefits of analytics in differentiating and improving their organizations. Understanding that advanced analytics tools can support profitable growth has spurred the life/health sector to actively adopt an analytics mindset. "Advanced analytics has helped the actuarial profession and risk management field by providing the capability to calculate risk metrics that were previously difficult or impossible to perform," says Vinaya Sharma, FSA, CERA. "With these metrics, better hedging strategies, optimal portfolios and more robust forecasts are possible."

## MOVING ACTUARIES TO THE ANALYTICS FAST TRACK

As organizations focus on incorporating analytics into their day-to-day operations, many understand that actuaries are credible subject matter experts in the industry. Companies look to actuaries to take the leading role in not only integrating analytics and big data but in educating and socializing their colleagues in regard to analytics. In fact, the U.S. Department of Labor predicts a 21 percent growth in the number of actuaries involved in analytics by 2018. Already, Jacobson's labor study shows analytics outranking actuarial talent in terms of demand and likelihood of hiring. Yet some professionals in the actuarial arena remain hesitant to jump on board.

Part of this reluctance to fully adopt new analytics functions is the continued success of many tried-and-true practices of the past. But this "don't fix it if it isn't broken" attitude will leave many individuals in the dust as analytics continues to grow in importance. "Actuaries need to look toward new areas," says Mike McLaughlin, FSA, CERA, FIA, MAAA, and past president of the Society of Actuaries. "Our training makes us perfect for enterprise risk management, complexity science and analytics."



By embracing the new analytics-centric role their companies are looking for, actuaries are providing themselves with new career possibilities, expanding their capabilities and providing immense value to their organizations. Focus on changing the way you think about your current actuarial role and its scope. Analytics is a perfect addition to your “technical tool kit.”

Business analytics are providing companies with insightful decision-making statistics and affording them the ability to assess the marketplace from a completely new perspective. Actuaries have the chance to be leaders in this ground-breaking change in the marketplace and should welcome the new frontier that analytics will provide. This is a branding opportunity and a moment to offer thought leadership and the actuarial perspective to the industry on current and emerging analytics practices.

In fact, the actuarial experience and perspective is a key starting point for many companies considering implementing or enhancing their analytics program. Actuaries already have the baseline of skills necessary to succeed in analytics. Experience with analyzing complex data makes actuaries the natural choice when companies look to train employees in predictive analytics and big data. Despite this natural tendency to turn to actuaries to take on an analytics role within their organization, employers are also considering statisticians, data scientists, quantitative analysts, economists, accountants and IT professionals. Take advantage of your experience to set yourself up as the go-to analytics expert. Not

only will you be ensuring your personal relevance and reiterating your value to your employer, but you will also be opening yourself up to a wide range of new career opportunities.

While actuaries already have many of the essential skills necessary to get started, individuals looking to truly compete in the analytics arena may consider participating in continuing education in order to build a firm knowledge base their company can draw upon. This includes learning the latest technical techniques that are being introduced into the market and staying on top of emerging analytics trends. Focus on additional training that will help position you as an analytics thought leader. Currently, the Society of Actuaries is hosting a number of professional development events and continuing education sessions discussing practical working knowledge of analytics. In addition, many universities, nonprofits and consulting firms are now focused on offering meetings and seminars discussing the various types of analytics.

We are at an exciting crossroads as analytics takes the center stage in the insurance industry. We have an opportunity to embrace analytics—to go outside our comfort zone and look at the strides made within the P/C market, the health care arena, retail, government operations and financial services—and incorporate them into our own operations. The recent push toward analytics brings with it a wave of potential and expectations for the future that we must not overlook. If actuarial professionals want to stay relevant and truly deliver what their internal customers are looking for, now is the perfect time to position oneself as a pioneer in the analytics sector.

**Analytics is a perfect addition to your “technical tool kit.”**

#### ENDNOTES

- <sup>1</sup> Available at <http://content.jacobsononline.com/labor-market-stats-q12014-download-labor-study-webinar>.
- <sup>2</sup> <http://www-935.ibm.com/services/us/gbs/thoughtleadership/big-data-insurance/>.
- <sup>3</sup> <http://www.computerweekly.com/feature/Ordnance-Survey-insurance-industry-can-harness-big-data-analytics>.



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# Book Review: *The One-Day Contract* by Rick Pitino<sup>1</sup>

Review by Brian Pauley

As a Louisville basketball fan, I eagerly anticipated the release of this book last October, especially with Rick Pitino's team having won the NCAA men's basketball championship six months prior. What made this book especially interesting was that it was begun before the championship run and was completed afterwards. Thus, Pitino was able to incorporate that experience.

Whether or not you are a basketball fan, this book contains great personal development information that can help us all become more successful in our life's pursuits. In this review, I will focus on four key areas that readers should find particularly useful:

- Humility
- Focus
- The Power of a (Realistic) Positive Mindset
- The One-Day Contract.

## HUMILITY

In our leadership and personal development journey, it is easy to overlook the importance of humility to our ultimate success. Pitino provides a solid argument. He speaks from experience as he's learned some hard lessons in his own life, some even recently. As developing leaders, we would be wise to walk around with a perspective on humility. Ken Blanchard says, "*Humility does not mean you think less of yourself. It means you think of yourself less.*"

Here are some key lessons from this section of the book:

- Humility is learned sooner or later. It is best to learn it on your own before life forces it on you as "life can be a painful teacher." [Think of all the celebrity falls from grace in recent years.]
- Humility is required for *sustained* success. Those who lack it or lose it ultimately face major stumbling blocks in life.

- Humble people share their successes generously with others. They graciously learn from their failures, using them to teach others.

## FOCUS

Do you sometimes find it challenging to focus? I think we all do. It is important to recognize when we lose focus and to have a mechanism in place to get us back on track. Pitino teaches that we must maintain focus to be successful, whether on the basketball court or in business. Why is this so important? According to Pitino, it is the reason for many of our failures today. He states, "*So many people are failing today because they are in season but living as if it is the offseason. They are failing because they cannot maintain focus.*"

Here are some of the key lessons from this section of the book:

- Performance is your biggest ally against adversity. Focus is your biggest weapon in achieving that performance.
- Focus is an intentional activity. You must plan for it and learn to achieve it.
- To maintain focus, be sure to take breaks, particularly when you are not "in season."

## THE POWER OF A (REALISTIC) POSITIVE MINDSET

We are all familiar with the phrase "positive thinking." And, most of us would agree that it is an important component of success. But, Pitino has an interesting perspective on the concept. He describes "positive thinking" as lacking. Instead, we should focus on having a "positive mindset." He describes this as "*a positive approach based on confidence in one's ability developed through preparation.*" The key word here is *preparation*, which he says is the fuel that gives a positive mindset its power.

You have to be realistic as well. For example, no level of preparation and positive thinking is going to make me an NBA All-Star. That's unrealistic.



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It is important to recognize when we lose focus and to have a mechanism in place to get us back on track.

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**Imagine if at the end of each workday, your supervisor could decide to either keep you or let you go.**

Thus, the secret sauce for a positive mindset is realistic *plus* preparation.

Pitino offers these key ingredients for having a (realistic) positive mindset:

- Meticulously plan.
- Understand how to attack your competition (basketball and business!).
- Never give in to mental or physical fatigue.

### THE ONE-DAY CONTRACT

I will end this book review with an overview of what Pitino calls a one-day contract. Here is the essence of it: Imagine if at the end of each workday, your supervisor could decide to either keep you or let you go. You are on a one-day contract every day. Would this change your approach to each day? Pitino argues that it would alter your day drastically. This is how he now approaches each day.

By following the one-day contract, you:

- Have a plan of attack to accomplish what you need to each and every day, which minimizes procrastination.
- Focus on living and working in the present.
- Are required to be bold and aggressive, instead of living in fear.
- End each day feeling good about your preparation and the effort you gave. ●

#### ENDNOTE

<sup>1</sup> St. Martin's Press, 2013, 272 pages.

# Book Review: *The Intangibles of Leadership: The 10 Qualities of Superior Executive Performance* by Richard A. Davis<sup>1</sup>

Review by Ben Wadsley

I had the opportunity to hear Richard A. Davis, Ph.D., speak on many of the sections of his book *The Intangibles of Leadership: The 10 Qualities of Superior Executive Performance*. Richard is a management psychologist, and he, among other things, helps senior leaders make smarter decisions about people. In particular, Richard helps when hiring senior executives—making sure that, given the company’s business strategy and operating culture, a candidate will be a good fit; and when selected, helps them to hit the ground running. Richard talked about the 10 patterns of intangibles he noticed in successful executives, and compiled them into his book.

Many of the chapters were great (including “Self-Efficacy,” “Social Judgment,” and “Will”), but one that really struck me was “Fallibility.” Richard led off his discussion of this chapter by showing a photograph of the founders of Spin Master, the company that founded Air Hogs, Bakugan, and the Earth Buddy. The picture had them in front of a large display on one of their office walls. The display didn’t include any of the above-mentioned toys (which were large successes), but instead highlighted the company’s failures!

One of the components of fallibility that Spin Master utilizes is the fact that fallibility spurs innovation. If we are too afraid to fail, or set the expectations of our employees that we must always be “perfect,” we will stunt our ability to be innovative. Another even worse consequence of not acknowledging one’s fallibility can be seen when the wanting—and needing—to be perfect leads executives to mask their errors and organize cover-ups.

Richard also discusses how to embrace fallibility, including revealing blemishes and talking about specific moments of failure. The most telling sign, however, is being comfortable in one’s own skin.

Working on our skill of being fallible is important. Several ways to both gain the skill, and to use the skill to lead, are described in the book. The top technique is to ask, don’t tell.

Compulsive talking sends the message that only you have all of the answers. Conversely, listening shows that you value others’ input. Think through how much of your time is spent telling people what you know, versus learning what they know.

Letting down your defensive walls is another way to let fallibility lead your team forward. If you are defensive when others give you constructive criticism, you won’t ever get feedback that you need to develop as a leader.

*The Intangibles of Leadership* is a great read, but one that I will have on my shelf as more of a reference book. Its final page sums up the bottom line: “Don’t try to be perfect. Influence others by showing that you don’t have all the answers.” ●

## ENDNOTE

<sup>1</sup> Jossey-Bass, 2010, 256 pages.



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Think through how much of your time is spent telling people what you know, versus learning what they know.

# Leadership Interview Series: Darryl Button

By Sophia Dao



Sophia Dao, FSA, MAAA, is a director and actuary in the Financial Management Group of MetLife. She can be reached at *Sophia.sophiadao@gmail.com*.

*Interviewer's notes: This is the last interview of the Leadership Interview Series. In this interview, Darryl Button, CFO of AEGON NV, shares his leadership view and experience. I would like to thank Mr. Darryl Button for taking time away from his busy schedule to participate in this interview. I would also like to thank you, the readers, for your support and encouragement. This has been a fun and rewarding experience for me. I hope you have enjoyed it as well.*



Darryl Button, FSA, FCIA, MAAA

Darryl Button is CFO of AEGON NV and is a fellow of both the Society of Actuaries and the Canadian Institute of Actuaries. Darryl began his career in the Canadian life insurance industry before joining AEGON's U.S. operations in 1999. Darryl currently resides with his family in The Netherlands.

## What is your greatest accomplishment?

q I have been fortunate to have been able to work in many parts of a large insurance organization and feel proud to have been able to contribute in many different ways. In many ways, I think this is my greatest accomplishment—diversity of knowledge and work experience that allows me to continue to contribute meaningfully to the future success of our organization.

## What is the most difficult thing that you have had to deal with in your career? What have you learned from that experience?

Saying no and saying goodbye. Saying no to sometimes new and creative ideas is always hard and sometimes comes with the infamous “chief sales prevention officer” label, but in a risk company we all know this is a necessary discipline. Saying goodbye to friends and colleagues in times of restructuring and reshaping skills and footprint to current market realities is also very difficult. In both situations, my biggest lesson learned is to not underestimate the importance of open and transparent, and frequent, communication.

## What do you do to ensure that you continue to develop and grow as a leader?

Never stop learning. Value and seek input and advice from others. Never assume what was done yesterday is good enough for tomorrow. Don't be afraid to act—recognize no decision is a decision.

## What advice do you wish someone had given you early in your career?

I think I could still use some help with time management, so learn it and get good at it early in your career.

## How have your actuarial skills and training influenced your leadership style?

The combination of quantitative and intuitive skills defines how I approach most problems. I'm a big believer in fact-based decision making. I like to ballpark estimates, exercise collective thinking by bringing in others, and eventually prove things out quantitatively where possible. I guess you could call it a “Trust but Verify” style.

## What are some of the things you have low tolerance for in your organization?

Anything unbecoming of an organization that sells promises, because that is exactly what we do. So for me, that includes, among others, poor communication, lack of transparency, dishonesty, lack of moral judgment or integrity, and so on.

**What qualities do you think a successful leader should have?**

Honesty, integrity, ability to inspire, strong communication, intuitive, committed, and willing to act.

**What is one mistake that you witness leaders making more frequently than others?**

Hanging on to the status quo and not preparing for a new future.

**What are a few resources you would recommend to someone looking to become a good leader?**

Books, articles and research papers of course will get you the basics, but sitting down and talking with mentors and senior leaders who are willing to share with you live experiences will get you the practical. I recommend both.

**What do you think is the most important skill set for actuaries to work on if they want to become leaders?**

Without a doubt, communication skills. It is critical for leaders to be able to communicate effectively to multiple audiences, and given the quantitative background that actuaries have it means we have to work extra diligently in this area. Effective means concise, understandable, informative and actionable. Spelling and grammar matter—don't let anyone tell you differently.


**In your opinion, what are the biggest opportunities and the biggest risks in our industry?**

Increasingly, ownership and accountability for managing financial futures are transferring from governments and employers to individuals on a global basis. Increasing levels of awareness and providing the right value-added products and services to help secure individuals' financial futures is a great opportunity for our industry. This is true from basic protection products right up through pre- and post-retirement products. The largest risk facing our industry at the moment is regulatory risk, as we continue to see the aftermath of the financial crisis playing through financial services regulation.

**What should actuaries do to stay competitive and relevant?**

Studying and learning comes with the territory, so just ensure you never stop. ●

**Increasingly, ownership and accountability for managing financial futures are transferring from governments and employers to individuals on a global basis.**



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# In Praise of the Humanities: A Convert's Tale

By Mary Pat Campbell

As a child, I did not like English or History—I found them tiresome, and was forced to write papers on specific topics. It looked like a mess to me—no clear order to learning anything, and when there was some kind of order (i.e., chronological with history), we'd be forced to jump all over the place. I never quite got clear if the Vikings or the Romans got to England first (spoiler alert: it was the Romans).

I much preferred math class, where there was a clear order from one topic to the next.

Once I got to college, I avoided these messy topics as much as possible. When forced to take a literature course, I took one on science fiction. When forced to take a history course, I took the “History of Ancient and Medieval Science and Math.”

But something funny happened when I left off being forced to learn the humanities—I started enjoying them. When I went to grad school in math, I had to take nothing but math classes. But then, I got discount tickets to the opera, started reading through the entire Dickens corpus (in order of composition), got student memberships to museums such as MoMA, watched a documentary on the history of New York City (and state), listened to lectures on the Roman Empire ... and started on a lifelong pursuit of the humanities that continues almost 20 years later.

**“The proper study of Mankind is Man.”**  
—Alexander Pope, *An Essay on Man*, 1734

So what exactly happened?

First off, it's not that arts, literature or history started looking more structured to me. While I have gotten chronology more untangled in my mind, with respect to history, I still come across entanglements of interactions I still don't fully grasp. I have no particular plan of action to my explorations in humanities, sometimes jumping between vastly different topics (now, the operas of Mozart; next, an exploration of linguistics) but sometimes delving deeper in a specific direction (reading all Dickens novels leading to reading Dickens criticism leading to looking specifically at business fraud in Dickens<sup>1</sup>).

What really started happening is that the subjects in these works started making more sense to me as I gained more experience. Situations and characters in Dickens that had seemed ludicrous to me as a teenager now were illuminating exemplars of specific traits or social dynamics as I walked around New York in my 20s. Now that I'm a parent living in a small town in Westchester, certain aspects are even more relatable to me.

But when I really started digging into the humanities has been in my post-FSA years, as I've found my most difficult problems involve people and not math.

“Even if mere entertainment were our only objective in the study of literature, you would still, in my opinion, regard this pursuit as the most humanizing and liberating of intellectual activities. For no other pursuit is appropriate to all times, all ages, all situations; but this study nurtures our youth, delights our old age, brightens the good times, and provides a refuge and comfort in bad times; literature brings us pleasure at home, does not hamper us at work, and is the companion of our nights, our travels, our country retreats.”—Cicero, *Pro Archia Poeta*, 62 BC

I have written in earlier pieces for *The Stepping Stone* about works from classical antiquity informing us about leadership issues<sup>2</sup> and Dickens' novels to help us understand the dynamics of massive business fraud. Those had more direct interpretations than what I am arguing here in the more general study of the humanities.

I have found studying the humanities to be entertaining, sure. I like learning stuff, in general—but I am still studying math and other technical subjects. Why not spend all my time on those, as they are more directly applicable to my career? If I want to study the issue of people and behavior with respect to business, why not just read business and psychology books that directly relate to those matters?

As argued in my prior pieces, one reason to read Plutarch's *Lives* as opposed to only profiles of



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**Having a broad understanding of history helps one see patterns and be less surprised when what happened before happens again.**

current prominent leaders is that one has a great deal of distance between oneself and the subjects. The emotional distance and distance in time means one is less likely to impose preconceived notions to one's study, and therefore, one is more likely to learn something new.

**“Know thyself.”**—Inscription on the Oracle at Delphi

I have found three levels of knowledge from the exploration of the humanities:

1. Learning about human societies.

In studying history, I've learned about a variety of societies, some more or less familiar to our modern world. It's not just a matter of wars and kings, but customs and technology. It can give one an idea of what is common about human societies (such as hierarchies and social competition) and what is not (such as family living arrangements).

As I am writing this, there is turmoil in a variety of countries and active revolts, protests and riots. Within my own country, there are various political movements, some of which directly impinge upon actuarial work—how insurance is perceived, how governmental promises are kept and not kept. One could approach these issues ab initio, but I find it helpful to think about how similar issues worked themselves out in prior history. With respect to entitlements, for example, it's instructive to think about how various Roman emperors essentially bribed the Roman troops to back them by increasing their pay and benefits during a period of great turmoil (from 192 AD to 285 AD, there were about 30 emperors, most of whom were assassinated, and many of whom ruled for less than a year), as well as the bribing of the inhabitants of Rome itself with the proverbial bread and circuses. This managed to work for a while, but did ultimately collapse.

I am less likely to believe “This time it's different!” having seen how many times it really wasn't different before. Having a broad understanding of history helps one see patterns

and be less surprised when what happened before happens again. While Santayana wrote “Those who cannot remember the past are condemned to repeat it,” it seems to me much of history is going to repeat whether or not you learn it. But one can be less surprised by the outcome. For example, one is less likely to claim that governments don't go out of business, when one considers all the governments that have gone out of business, sometimes due more to financial collapse than military defeat.

2. Learning about other individuals.

As history can teach about societal patterns in large, biography and fiction may give some insight as to how individual people behave. Sure, one can read books on psychology, or just observe the people around you, but profiles of people both real and fictional can give one broader perspective. One comes against characters one may never meet in real life today, and consider how they react to others. I know how I think (more below), but fiction and biography alike help expand my consideration of how other people think. In Dickens, one meets all sorts of characters, from the frauds to the virtuous. Yes, some are barely realistic, and more reflect a societal ideal or a purity of a particular trait beyond what could be encompassed in one person, but it puts human behavior and motivations under a microscope, with all the messiness that entails.

3. Learning about myself.

I claimed above that I know how I think, but that's incomplete. I know my opinions on various issues and how I have behaved in the past, but I do not know how I may react to specific situations in the future. Fiction and philosophy may help one explore these concepts. What is my concept of virtue? What would I do in a situation like that of Sydney Carton in *A Tale of Two Cities*? What do I think of the concept of pride of work being a sin in Dante's *Purgatorio* as characterized by Oderisi da Gubbio?



A comment on all these. Some have argued that the study of the humanities improves character of those who do it. In *The Defense of Poesy* (1595), Sir Philip Sydney wrote “Truly, I have known men, that even with reading Amadis de Gaule, which, God knoweth, wanteth much of a perfect poesy, have found their hearts moved to the exercise of courtesy, liberality, and especially courage. Who readeth Æneas carrying old Anchises on his back, that wisheth not it were his fortune to perform so excellent an act?” He was not the only one making such an argument.

While some are thus inspired, it’s not universal. The issue is the distinction between thought and action. And even the thought and knowledge are hard-won.

The study of the humanities can inform one’s thought on some of the issues I mention above, but it does require active reflection. I didn’t get much out of my study of humanities as an adolescent other than wondering why we were given such depressing works. None of it was real to me. It was just a bunch of dead white men who had nothing to say to me, at that age. Science fiction spoke to me, but not Dickens, when I was 15.

To get something out of studying the humanities, one cannot be a passive consumer of the material. One must join the “Great Conversation,” as the editors of the Great Books series term it, even if it’s sitting in one’s own armchair, holding a Kindle.

“What say you, Mary? for you are a young lady of deep reflection I know, and read great books, and make extracts.”

“Mary wished to say something very sensible, but knew not how.”

—Jane Austen, *Pride and Prejudice*, 1813

So how to get started?

The beauty of the humanities is that due to its lack of structure, one can start almost anywhere. Also,

there is an embarrassment of (free) riches to be had on the Internet. But one wants to start somewhere, and here are some ideas.

#### 1. Audio lectures on the humanities.

I have had a very long commute since the start of my actuarial career, and when not filling that time with exam-studying, I have listened to podcasts and CDs of lectures from a variety of sources. I highly recommend the lectures from the Great Courses (which used to be called The Teaching Company), which cover a variety of topics. Through them, I have learned about the operas of Mozart, Chinese history, history of the (western) Roman Empire, Herodotus, linguistics, Shakespeare, and much more. As well, I recommend lectures from Modern Scholar from Recorded Books, which has a series of lectures called *Odyssey of the West* that takes one from the ancient Hebrews and Greeks through modern times in terms of history, art, philosophy and literature.

These lectures provide context for further study. While reading original texts provides a different experience than these derivative and summary works, it helps knowing what you’re actually going to read before you do, like reading the libretto before going to an opera. I found it helpful listening to lectures on Herodotus or *The Divine Comedy* before reading the works themselves. While I have bought many of these lecture sets (because I listen to them so often), libraries often have a wide selection of these works.

There are also lots of podcasts and online courses on these topics as well. Check out the humanities-related sections of *Coursera.org* for free classes on all sorts of topics. Just last year, I listened to a set of lectures on Beethoven’s piano sonatas specifically, conducted by a concert pianist.

#### 2. Book lists.

I do not want to get into an argument as to what “The Canon” is, or what “The Great Books” are.

**To get something out of studying the humanities, one cannot be a passive consumer of the material.**

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Suffice to say that various groups of people have made their own lists of essential books, and one can pick the list one wants to. The granddaddy of this project is *Great Books of the Western World*, a series of books that comprises over 50 volumes, originally published in 1952. It covers millennia of works, most of which should be familiar to humanities scholars of the West. The first volume, titled *The Great Conversation*, makes many of the same arguments I do for studying the humanities. What's helpful is that this first volume contains a reading plan that covers a decade (though, of course, one could read it faster or slower). For those who like a preset plan of study, this would be a good place to start.

Another work to consider is *The Well-Educated Mind* by Susan Wise Bauer. She creates lists of types of works in categories such as drama and fiction, and includes more recent works.

You can also check out the site/app Goodreads, where people keep track of what they're reading, have read, and want to read. People make lists there in the section called "listopia"—one of the top current lists is "100 Books to Read in a Lifetime," which is based off a similar list at *Amazon.com* (booksellers always have lists of books for you to read). These tend to be more recent books, from the last few centuries, as opposed to the millennia-long Great Books.

Finally, St. John's College of Annapolis has a liberal arts curriculum based around original texts, and has its reading list (by year) posted here: <http://www.sjca.edu/academic/readlist.shtml>. This list intersects a great deal with the other ones.

"It's technology married with liberal arts, humanities, that yields us the result that makes our heart sing. And nowhere is that more true than in these post-PC devices."  
—**Steve Jobs** on the iPad2, 2011

I happen to prefer random wandering through topics I find of interest, and am an inveterate browser at my local library. Now that I am no longer required to, I write and think more about the humanities than ever before, surprised by what I find in a way I am less likely to in my technical explorations. Join me in the Great Conversation in your own armchair. ●

#### ENDNOTES

<sup>1</sup> See the author's article on this in the February 2014 issue of *The Stepping Stone*.

<sup>2</sup> See the author's two-part series in the August and November 2012 issues of *The Stepping Stone*.

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# Seven-Word Work/Life Balance (Part Two)

By J. Patrick Kinney



J. Patrick Kinney, FSA, MAAA, is VP Enterprise Financial Planning at Excellus BlueCross BlueShield in Rochester, N.Y., and served as the 2012–2013 chair of the SOA Health Section. He can be reached at [Patrick.Kinney@excellus.com](mailto:Patrick.Kinney@excellus.com).

**Build a business case  
for yourself, and  
your employer.**

In my previous article for *The Stepping Stone*,<sup>1</sup> I shared my motif of expressing personal self-understanding in phrases of exactly seven words. Why seven words? No particular reason, other than that seven is a traditional “magic number.” At the conclusion of that article, I asked readers to submit their own seven-word phrases for a follow-up article. I am happy to share with you several responses I received. As advertised, only phrases of exactly seven words were considered. Aficionados of other magic numbers will have to write their own articles!

## **“What doesn’t kill me makes me stronger.”**

This maxim of Nietzsche became former Management and Personal Development (MPD) chair Olga Jacobs’ “personal mantra ... uttered under my breath during the most hectic times of implementing health care reform.” See her “Diary of a Health Care Reform Actuary” in the October 2013 issue of *Health Watch*. I’m sure by now Olga has the strength of Conan the Barbarian (where I first saw the above phrase used!).

## **“Mover and shaker, not an order taker.”**

This is another gem from Olga, which she describes as “the vision I had for the actuarial team I led in a prior role. We were to develop original analyses ... to come to the table with the problem and the solution. I didn’t want the actuarial team to simply be a passive group that let others (CEOs, Sales, Underwriting, Products) define and solve problems while we just implemented (do the rate filing, price the new product, etc.).” Good advice for actuaries in general.

## **“Do not be afraid to make mistakes.”**

John Stark interpreted my phrase “Take the Scenic Route Whenever You Can” in two ways: “One is not to use linear thinking in solving a problem—wander around and see how many different solutions you can devise. Next, do not be afraid to make mistakes. Actuaries as a group do not like to make mistakes, and our business culture as a whole

frowns on errors. There are many instances when an error led to greater insights.” Good advice when judiciously applied.

## **“Balance requires compromise; pick your battles carefully.”**

These words of wisdom come from the prolific Sara Teppema, who explains: “Making choices about your career should be done carefully, setting priorities [based on] your personal values. Sometimes this means letting go of conventional priorities, such as getting promoted to a job you don’t really want just for the sake of getting promoted. Or, sometimes getting the job you don’t really like could temporarily provide needed flexibility for a family situation. Build a business case for yourself, and your employer.”

## **“Whatever you are, be a good one.”**

Sara also submitted this related quote, often attributed to Lincoln. She interprets this to mean “Don’t get caught up in what others think you should be doing. Do what you like and do it well (and do what you like because you do it well).”

## **“Whatever you are doing now, be present.”**

Again, from Sara: “If you can focus on your priority for this moment, you will feel less distracted and more productive. This is easier said than done when balancing work, children’s activities, aging parents, keeping a household together and people fed, etc. But if you can learn to focus on what you are doing right now, it can actually relieve stress.” I would add that this is a good argument for shutting off the phones, instant messaging and email when trying to accomplish something. (A lesson not learned while writing this article, unfortunately!)

## **“Where are you now: relaxing, recovering, planning?”**

A wise woman once said to Sara that “you should always be in one of three states: On vacation, recovering from your last vacation, or planning your next vacation. In other words, always know

that there is a break in sight.” Throughout my own career, I would agree that I have always felt more effective and well-adjusted when I knew I had something to look forward to.

**“Take your kids back to their schools.”**

Our own newsletter editor John Hadley contributed this family-oriented advice. He writes: “By the way, I particularly resonate with the comments about going to school functions, etc. Last summer, we were facing my son moving to Chicago to start an MFA program at the Art Institute. It occurred to me to suggest (first to my wife, of course!) that I drive him out there so he wouldn’t have to worry about shipping all of his stuff.

“I took the week off, except for a few conference calls [*oops—JPK*], and he and I spent a few nights in a hotel while we found him an apartment and outfitted it. Even though it was a long drive home on my own from Chicago to New Jersey, it definitely felt like the right thing to have done, and he really appreciated the help and the company.”

Let me end with this final submission from Sara Teppema, to which I can only add “hear, hear!”

**“Work life balance isn’t just for women!”**

I hope these articles help contribute to your own sense of balance in your lives. ●

**ENDNOTE**

<sup>1</sup> “Seven-Word Work/Life Balance” published in the November 2013 issue of *The Stepping Stone*.



Throughout my own career, I would agree that I have always felt more effective and well-adjusted when I knew I had something to look forward to.

# Find Your Personal Porcupine

By Doreen Stern, Ph.D.



Dr. Doreen Stern is a writer, motivational speaker and success coach in Hartford, Conn. Her goal is to become a best-selling author. She's currently writing a book in the memoir genre, tentatively titled *That's The Way I Like It*. She can be reached at [Docktor@DoreenStern.com](mailto:Docktor@DoreenStern.com).

Hence, the crippling anxiety associated with the BIG GOAL is reduced.

"I am going to America to catch sight of a wild porcupine and to give some lectures," announced Dr. Sigmund Freud to his colleagues in 1909. He was enjoying a cigar with his friends when he made this declaration.

The 53-year-old neurologist had developed a technique called psychoanalysis, in which patients reveal their free associations (unrestricted thoughts) to their psychoanalyst. Purportedly, patients transferred their early problematic feelings to their physicians, ridding themselves of them.

Freud had been given the honor of being invited to deliver a series of lectures at Clark University, in Worcester, Mass. These scholarly talks were to observe the university's 20th anniversary of becoming the second graduate school in the United States. This was a big deal: While Clark had a sparkling reputation, Freud was still an unknown.

Later, Freud would extol his experience:

*In Europe I felt as though I were despised; but over there I found myself received by the foremost men as an equal. As I stepped onto the platform at Worcester to deliver my Five Lectures upon Psychoanalysis it seemed like the realization of some incredible day-dream: psychoanalysis was no longer a product of delusion, it had become a valuable part of reality.*

Why then, if speaking in the United States was such a HUGE opportunity, would Freud have prefaced his announcement to his associates by saying he was going to see *some wild porcupines*?

Freud explained his rationale this way:

**Whenever you have some large objective in mind, it's always good to identify a secondary, less demanding goal on which to focus your attentions in order to detract from the anxiety associated with the search for the true grail.**

Thereafter, reported one of his disciples, "The phrase, 'to find one's porcupine,' became a recognized saying in our circle."

## HOW DO ATHLETES EMPLOY FREUD'S TECHNIQUE?

Olympic athletes, who spend most of their lives training for these quadrennial games, sometimes adopt Freud's technique of identifying a secondary, less demanding goal on which to focus their attention. Hence, the crippling anxiety associated with the BIG GOAL is reduced.

Snowboarder Sage Kotsenburg is one of them. His event is slopestyle, where the athlete has to elegantly manage several obstacles and then pull off three awesome jumps that will dazzle the judges.

Rather than succumb to Olympic pressure, Kotsenburg adopted a secondary goal: "To make snowboarding look cool and get kids stoked on it."

Hence, two-and-a-half minutes before he pushed off the mountain for his second run, Kotsenburg decided to experiment with a trick he had never tried before. Or even considered. But his intuition told him the trick he later called "The Japan Grab" would work.

Leading snowboarder Shaun White had pulled out of the slopestyle event to save himself for halfpipe competition, saying this:

After much deliberation with my team, I have made the decision to focus solely on trying to bring home the third straight gold medal in halfpipe for Team USA.

Unfortunately, White failed to medal in the halfpipe event. Or any other.

Competitors who had focused so vigorously on landing the "required" tricks were shocked to see 20-year-old Kotsenburg walk away with gold by adhering to his goal of "staying super-stoked."

One of his teammates said this:

He made it. He landed this awesome new trick. And he won the gold. But it wasn't the medal that made it cool. It was that he tried something because ... he wanted to try something. All your life, there will be things you don't think you can do. But you won't know, not really, not unless you go for your 1620 with a Japan Grab when the feeling is right.

## HOW ABOUT YOU?

*What have YOU been yearning to do?*

And how can identifying your own porcupine help you achieve it?

Please note: Writing quarterly articles for *The Stepping Stone* is one of my personal porcupines. ●



It was that he tried something because ... he wanted to try something.

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