

The Actuarial Profession
making financial sense of the future

Governance and building a community
Robert Gardner, Redington Ltd.



Highlights of the Pensions conference 2010

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Governance and building a community



Let's get creative...

Pensions governance today



Collaboration and Kindness of Strangers

Social Media



Governance 2.0- Building a community



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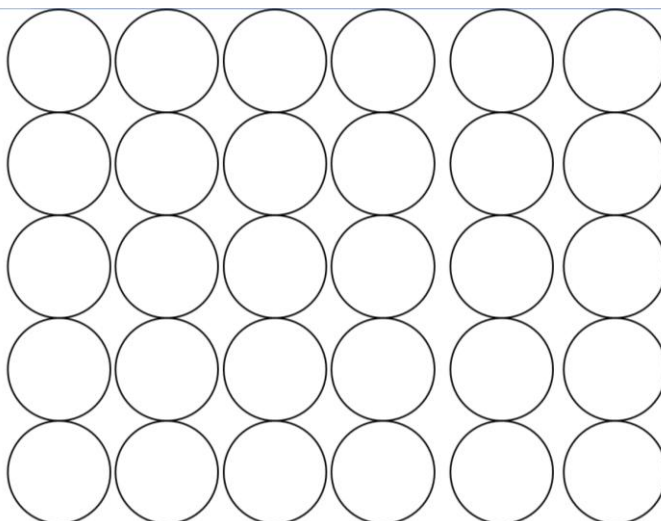
Lets start by getting creative...

- Bob McKim
- Stanford University
- A Creativity researcher in 60s and 70s
- Ran Stanford Design Programme

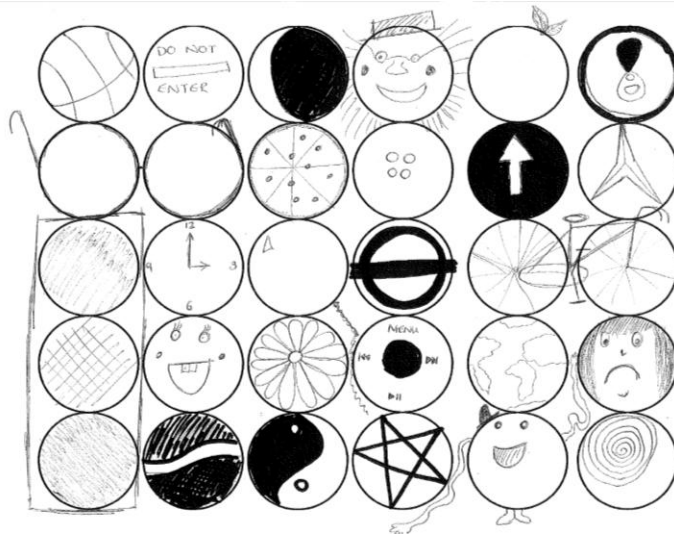


- One of his Creativity Exercises
- Draw your neighbour very quickly...
- 30 Seconds...
- ...Lets GO

Creativity exercise



Here's one I made earlier...



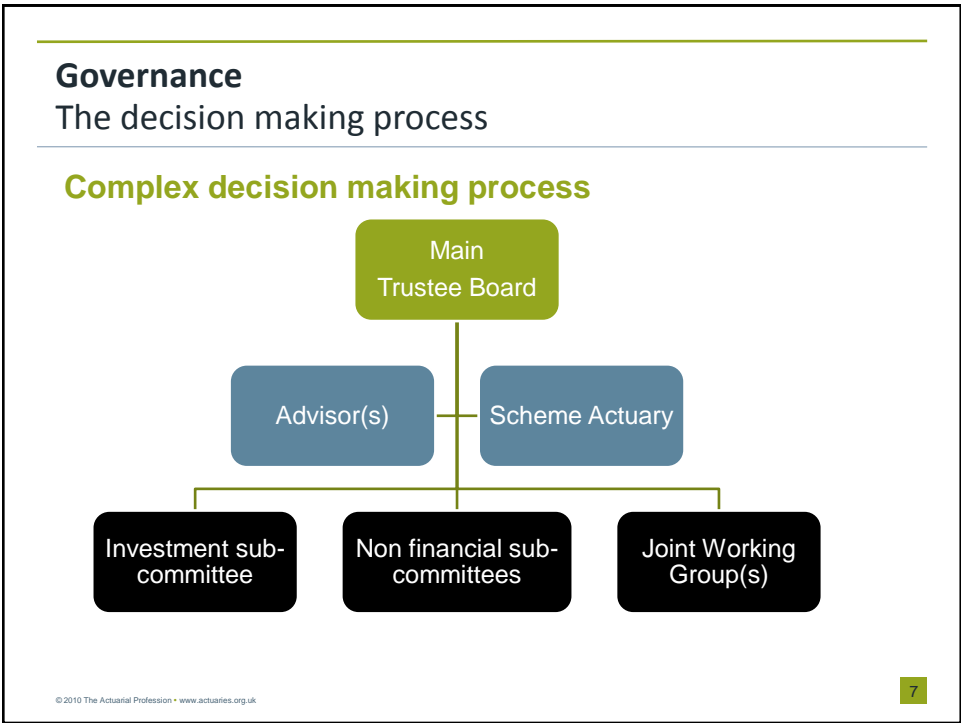
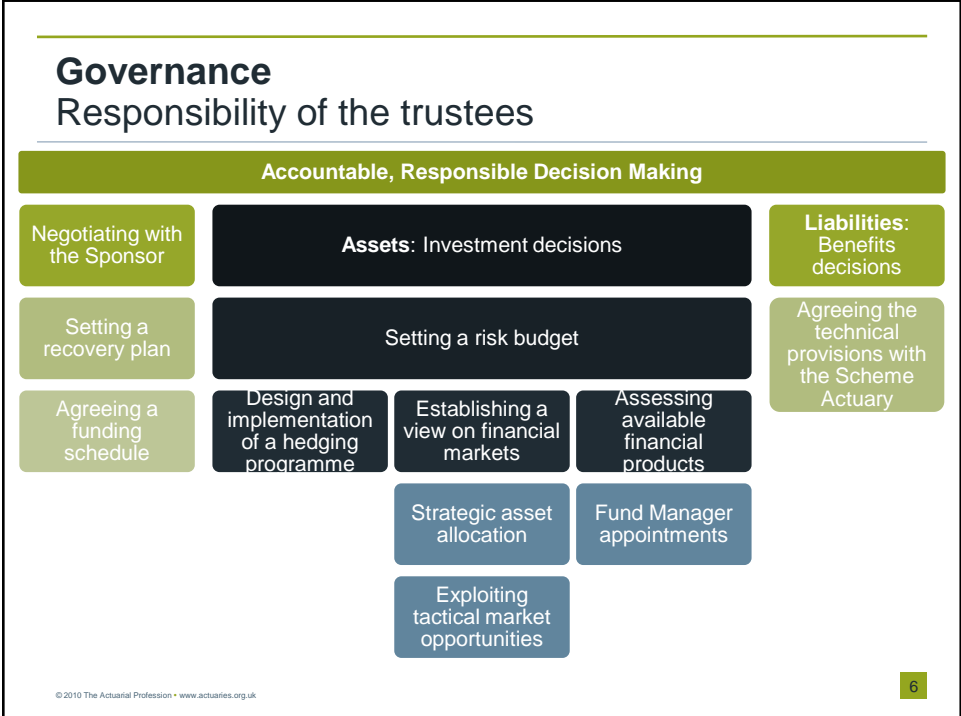
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...solve these problems?

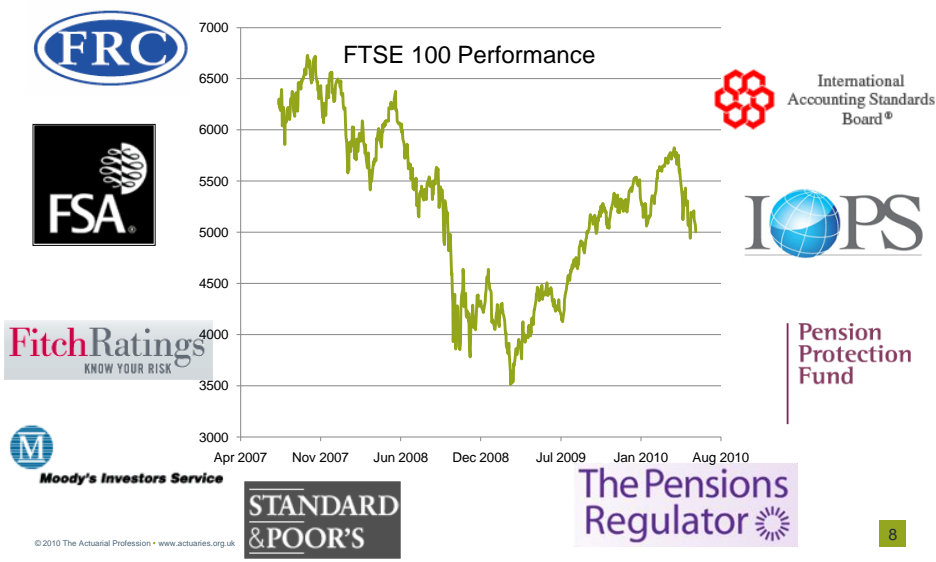
- Multi-Dimensional Decision Making
- Governance: Responsibility of the Trustees
- Complex Decision Making Process
- The pension fund industry faces tough times
- Multiple insolvencies have added to the problem
- Companies are reacting
- Filtering through the information noise
- How are trustees reacting:



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The Pension Fund Industry faces tough times



Companies are reacting

World
England
Northern Ireland
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Business
Market Data
Your Money
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Health
Education
Science & Environment
Tech
Entertain

WH Smith to close pension scheme

The retailer said that 11% of its staff are members of the scheme - which has been closed to new members since 1995.

WH Smith, which split its High Street retail and distribution businesses last year, said the move would bring all staff pension arrangements into line.

[guardian.co.uk](#)

Also in the News Sport Comment Culture Business Money Life & style Travel Environment

Q&A: Final salary pension closures

Tony Levene
guardian.co.uk, Friday 23 January 2009 17:19 GMT

A new survey from the National Association of Pension Funds - the trade body for company retirement plans - says one in four of Britain's biggest employers intends to shut their final salary schemes to existing employees over the next few years.

Three out of four plans which promise pensions based on final salary and length of service are already shut to new employees.

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Pension scheme closures to accelerate

Final salary schemes are expected to come under renewed attack

David Bushworth

RECOMMENDED

The stampede out of final salary schemes is gathering pace, with four out of ten schemes expected to close to existing members within the next 10 years, a report said today.

Some 6 per cent of final salary schemes have already shut to further contributions from existing members. The figure is expected to jump to around 16 per cent of all plans by 2010, and to over 40 per cent in the next five to 10 years, according to Watson Wyatt, a pension consultant.

TIMES RECOMMENDS

- How to set your home in a downturn
- How to boost your spending power
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RETIREMENT

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Pension schemes closing to existing members, research shows

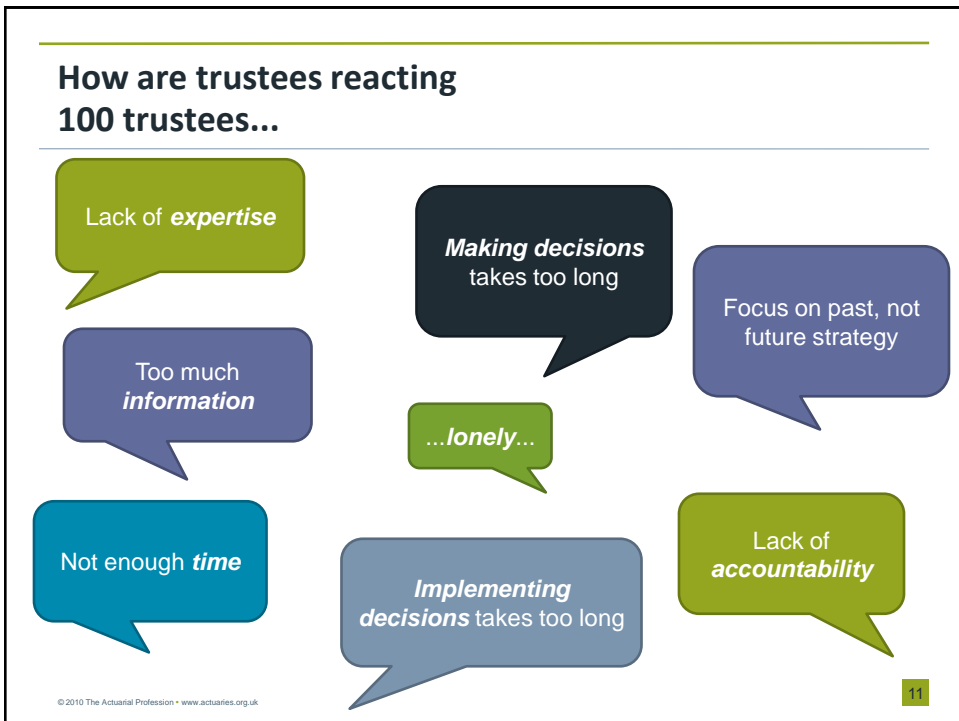
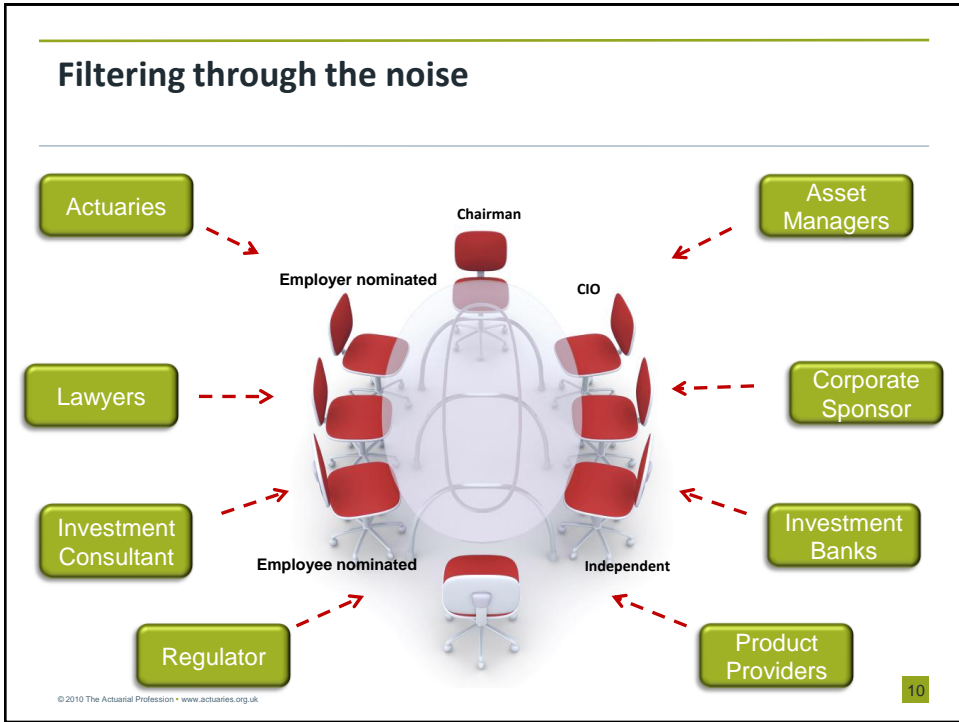
One in six defined benefit pension schemes has been closed to existing members, research from the Association of Consulting Actuaries shows.

Published: 8:00AM BST 31 Aug 2009

Share

Around 87 per cent of defined benefit pension schemes, which include final salary pensions, are now closed to new members and 18 per cent of these are also closed to future accruals by existing ones, according to the ACA.

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How far have we come?

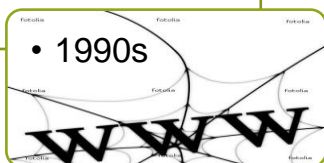
Mainframe



PC



Internet



Social Networking



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Globalization 3.0 and an Exciting Future

- “In the technology industry people always overestimate what you can do in one year and underestimate what you can do in one decade.”

• **Marc Benioff,**
 Founder and CEO salesforce.com



X1million
 more
 powerful

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The rise of collaboration

- Yochai Benkler dubs it “the wealth of networks”
- Howard Rheingold's term is "smart mobs."
- It's the idea of technology-enabled collaboration ... and it's making us all smarter.



The collective action of beehives, photographed by Ted Horowitz.

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THIN “GEEKY” LINE



- WHY?
- *Octavius Black* - A calling
- “because they care”



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The free encyclopaedia

- Jimmy Wales began Wikipedia on 2001 based on the **willingness of people to share their knowledge**.
- ...one of the most-referenced, most-used repositories of knowledge on the planet, with more than **one million articles in English** (compared with the Britannica's 80,000)
- The "wiki" in the name refers to software that allows anyone with Internet access to add, delete or edit entries. This has led to controversies about the reliability of the information, prompting the Wikimedia Foundation to set tighter rules for editors, while still keeping Wikipedia open-source.
- "Wikipedia represents a belief in the **supremacy of reason and the goodness** of others.
- "...From the respectful clash of opposing viewpoints and the **combined wisdom of the many**, something resembling the truth will emerge. Most of the time."



<http://www.wikipedia.org/>

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Wikipedia: Counter-Vandalism Unit

Civility, Maturity, Responsibility ” [Shortcut](#):

[WP:CVU](#) The **Counter-Vandalism Unit (CVU)** aims to help in cleaning up **vandalism** on Wikipedia by producing tools to assist in removing vandalism, providing advice on dealing with vandals, and sharing information with other Wikipedians dealing with the same issues. Removing vandalism is a task open to all members of the Wikipedia community, and the CVU intends to make that task easier. In other words, anyone who wants to help with reverting vandalism is welcome to join.

Identifying with the CVU's role by one of the methods above does **not** grant you any special rights or privileges on Wikipedia. The CVU is not, and has not requested to be, sanctioned as an official project of the **[Wikimedia Foundation](#)**. It is merely a collection of individuals dedicated to removing vandalism and does not seek to represent itself as anything more. "Unit" is simply a little snappier than "**[WikiProject](#)**".



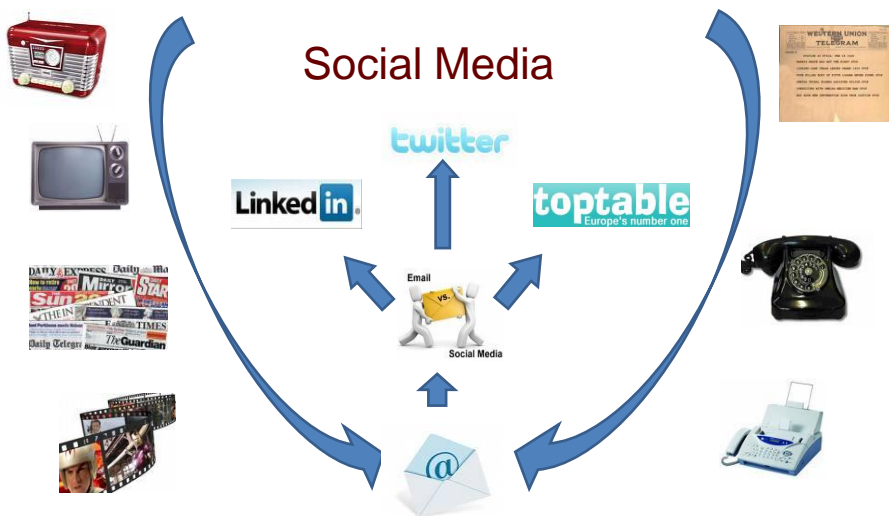
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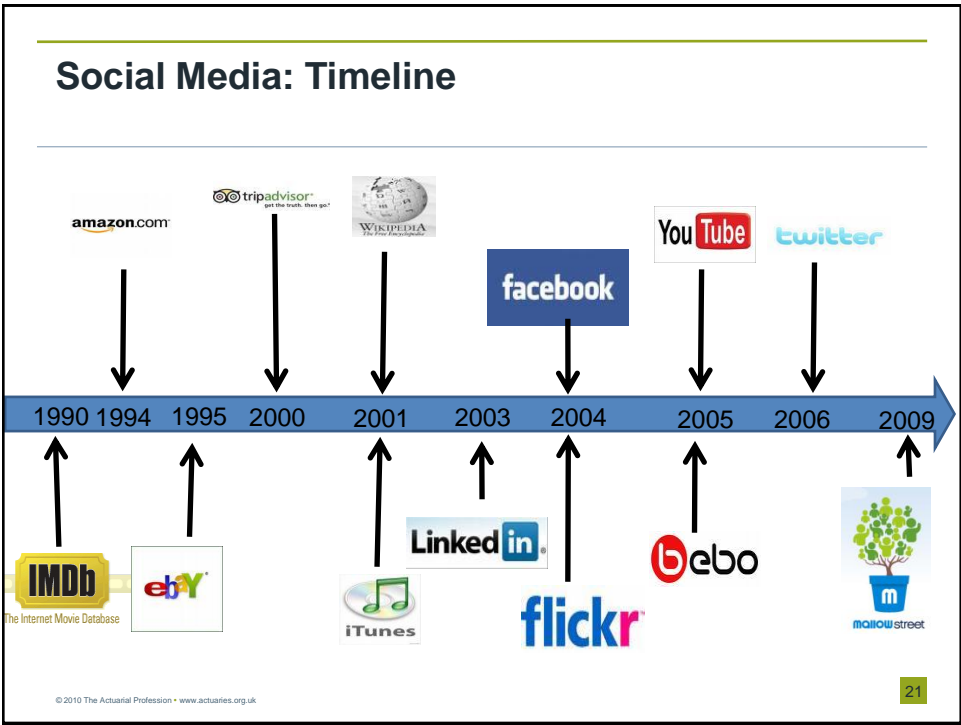
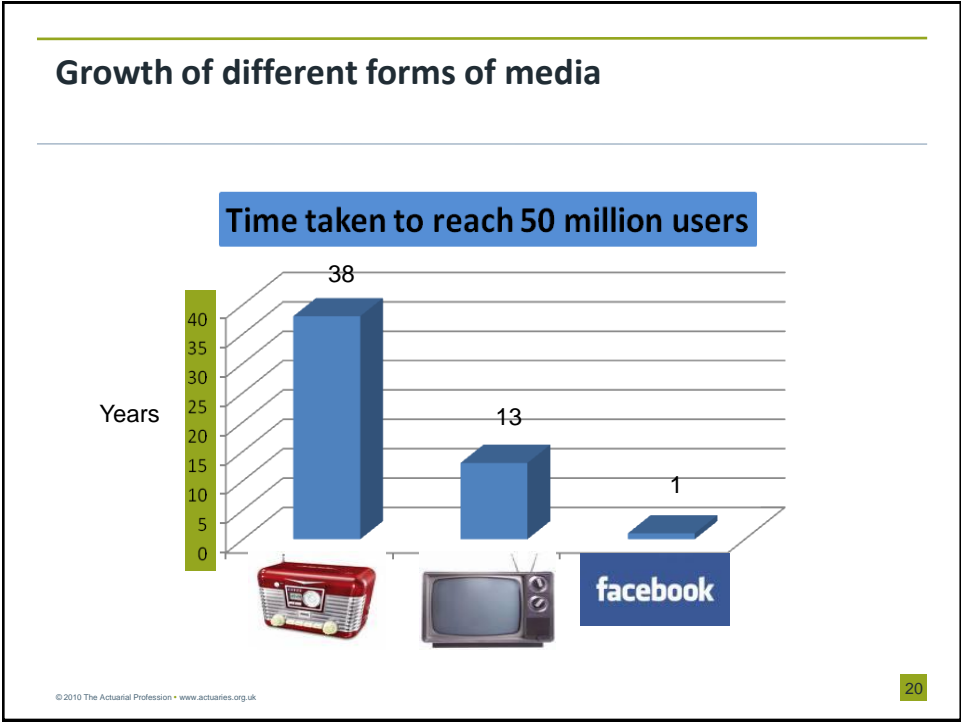
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Social media



The convergence of Broadcasting & Communications Media





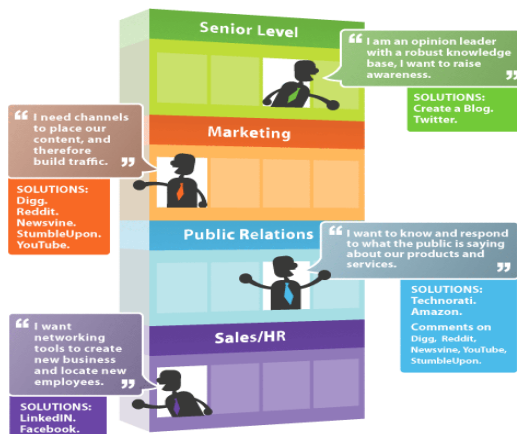
Social Media: The Growth of Facebook

 Stage 1 - 2004	 Stage 2 - 2005	 Stage 3 - 2006	 Stage 4 - 2010
Harvard Only	High School Networks	Everyone	400+ million users




Social Media: Multiple Applications in Business

Building a Company with Social Media



Networking is king



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Networking is king


3 June, 2010

By Andrew Sheen

Is social networking right for trustees?

Barely a day goes by without social networking being in the news. Facebook, twitter, MySpace and the business favourite, LinkedIn are all part of many of our daily lives, to the extent that many companies have taken to blocking access during business hours, in order to get their staff to do some work.

Figures widely quoted on the internet (so take them with a pinch of salt) say that if Facebook were a country, it would be the fourth largest in the world. And possibly the dumbest, if many of the messages exchanged are any guide to what goes on online.



Printable version

E-mail to a friend

Are you interested in social networking, and do you think social networking could play a role in the life of trustees?

View comments on all stories


Pensions law experts


TRAINING CALENDAR


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Aberdeen

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Rollover for more 

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Twitter: Business Applications



twitter

Hi, Rob Gardner Pensions.

You have a new direct message:

 **actuaryjp:** Thanks for interesting info! I'm looking for some ways to share pension info in Japan, using Twitter.

Reply on the web at http://twitter.com/direct_messages/create/actuaryjp

Send me a direct message from your phone: D ACTUARYJP

If you'd rather not receive direct message emails from Twitter, you can [unsubscribe](#) immediately. To resubscribe or change other Twitter email preferences, visit your account related to your use of Twitter. For general inquiries or to request support with your Twitter account, please visit us at [Twitter Support](#).

Hewitt HewittNews

Hewitt Associates | Lincolnshire, IL
RT @AndresTTapia: Ver 2.0 of my blog is up. My goal to provide D&I insights, wisdom, strategies, and tips in an engaging way. C 4 years ... 6:14 PM Nov 21st

Atkintweets Atkin & Co | Hatton, Warwickshire

This is fun RT @David1 Connecting at the Lanesborough and on #mallofstreet: [#pensions](http://bit.ly/4pXVtH) #socialmedia about 2 hours ago

hymansrobertson Hymans Robertson LLP | UK

redingtontweets Redington

RedVision: Our weekly market overview of Equities, Credit, Interest Rates and Inflation <http://bit.ly/6m1IKQ> about 4 hours ago

PIMCO Global

Gross: In a low growth environment, it seems that a company's stock should yield more than its less risky debt. <http://bit.ly/11dyHf> 7:42 PM Nov 20th

AberdeenEMarket AberdeenEMarketing

hmtreasury HM Treasury | Westminster, London

Find out more about the Chancellor's Financial Services Bill on our Frequently Asked Questions (FAQs) page: <http://bit.ly/3Btse1> 1:15 PM Nov 20th

Ernst_and_Young Ernst & Young

Check out EY Careers to learn more about how Jim Turley voiced support for entrepreneurship and innovation: <http://twittr.net/5DfEG65> 8:43 PM Nov 18th

towerswatson Towers Watson | Global

Towers Watson experts available to speak to business impact of 2010 U.S. hurricane season. <http://budurl.com/lqabd> about 13 hours ago

FT Financial Times | London

Iran plans to build 10 enrichment plants: Iran said it was dramatically expanding its nuclear programme, in a move ... <http://bit.ly/4HTXhv> about 4 hours ago

SEB SEB_AM

SEB Asset Management | Frankfurt am Main, Germany
#Boerse2009: Korrektur, Trendwende oder Jahresendral? Thomas Korfgen, Fondsmanager SEB AM zu Gast beim DAF <http://twttr.com/yj6nE77> about 7 hours ago

13

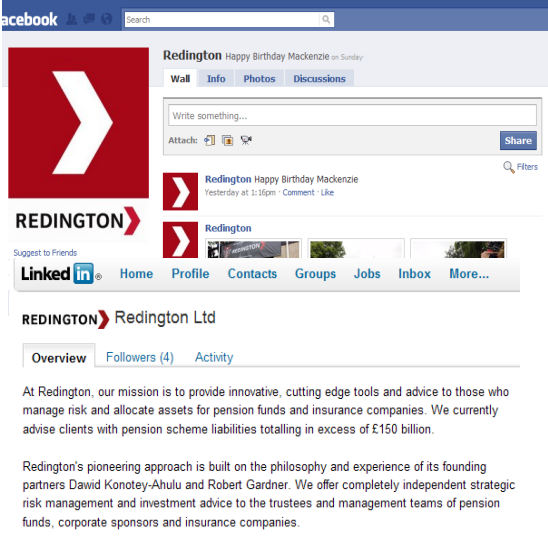
Social Media: Multiple Applications in Business

The screenshot shows the Facebook page for 'Actuaries'. The page header includes the Facebook logo, a search bar, and the name 'Actuaries' with a 'Like' button. Below the header are navigation tabs: 'Wall', 'Info', 'Risk', 'Discussions', 'Events', and 'Boxes'. The main content area features a post from 'Actuaries Insurance' with a photo of a man and the text: 'ERM reports on the merger. UK actuarial profession votes for merger | InsuranceERM bit.ly'. The post has 10 likes and 4 comments. Comments include: 'Mahfuz Ibn Mannan I definitely appreciate Anisha Dureja. I feel it should be implemented on emergency basis to balance the quality of individuals.' and 'Anisha Dureja Thanks Mahfuz, lets gather ppl who agree with us !!'. A sidebar on the left contains a cover photo for 'The Actuarial Profession' with the tagline 'making financial sense of the future', a 'Suggest to Friends' button, a link to the careers page, and an 'Information' section listing the location: 'Staple Inn Hall, High Holborn London, United Kingdom, WC1V 7QJ'. A copyright notice at the bottom reads '© 2010 The Actuarial Profession · www.actuaries.org.uk'. A small green box with the number '26' is in the bottom right corner.

Social Media: Multiple Applications in Business

The screenshot displays the social media presence of Towers Watson. On the left is the Facebook page for 'TOWERS WATSON', showing the company logo, a 'Like' button, and a description: 'Our goal is to make this Community Page the best collection of shared knowledge on this topic. If you have a passion for Towers Watson, sign up and we'll let you know when we're ready for your help. You can also get us started by suggesting the Official Facebook Page.' Below the description is a 'Description' section with a Wikipedia link and text: 'From Wikipedia, the free encyclopedia Towers Watson is a global consulting firm. Its principal lines of business are human resource consulting and risk management. It also has a strong actuarial and investment consulting arm. Its corporate offices are in New York, New York.' The Facebook page also shows a list of people who like the page, including Jane Jane, Taran Matharu, Zhan Prasadhyo, Liz Oke, Melody Kook, and Becky Dougal. At the bottom of the Facebook page are navigation tabs: 'Home', 'Profile', 'Contacts', 'Groups', 'Jobs', 'Inbox', and 'More...'. On the right is the Twitter page for 'towerswatson', showing the company logo and a 'Following' button. The main content area features several tweets: 'Towers Watson experts available to speak to business impact of 2010 U.S. hurricane season. http://budurl.com/qsbid about 15 hours ago via web', '#401k fee disclosure rule could necessitate more advice. http://budurl.com/kqy6 about 15 hours ago via web', 'Canada: Towers Watson survey shows #pension funding crisis is viewed as long lasting. #retirement http://budurl.com/unc9 about 15 hours ago via web', 'Towers Watson Podcast: Keep your sales teams #productive, engaged and appropriately rewarded. #talentmanagement. http://budurl.com/r4ce 8:27 AM Jun 4th via web', and 'In need of an effective #sales #compensation model? Towers Watson's #podcast discusses important attributes. http://budurl.com/rwv 7:05 AM Jun 4th via web'. A small green box with the number '26' is in the bottom right corner.

Social Media: Multiple Applications in Business



facebook Search

Redington Happy Birthday Mackenzie on Sunday

Wall Info Photos Discussions

Write something...

Attach: **Share**

REDINGTON

Suggest to Friends

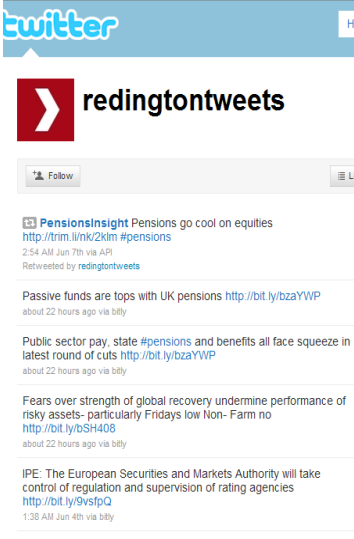
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REDINGTON Redington Ltd

Overview Followers (4) Activity

At Redington, our mission is to provide innovative, cutting edge tools and advice to those who manage risk and allocate assets for pension funds and insurance companies. We currently advise clients with pension scheme liabilities totalling in excess of £150 billion.

Redington's pioneering approach is built on the philosophy and experience of its founding partners David Konotey-Ahulu and Robert Gardner. We offer completely independent strategic risk management and investment advice to the trustees and management teams of pension funds, corporate sponsors and insurance companies.



twitter

redingtontweets

Follow

PensionsInsight Pensions go cool on equities [#pensions](http://trm.l/nk/2km)
2:54 AM Jun 7th via API
Retweeted by redingtontweets

Passive funds are tops with UK pensions <http://bit.ly/bzaYWP>
about 22 hours ago via bitly

Public sector pay, state #pensions and benefits all face squeeze in latest round of cuts <http://bit.ly/bzaYWP>
about 22 hours ago via bitly

Fears over strength of global recovery undermine performance of risky assets- particularly Fridays low Non- Farm no <http://bit.ly/bSH408>
about 22 hours ago via bitly

IPE: The European Securities and Markets Authority will take control of regulation and supervision of rating agencies <http://bit.ly/9vsfpQ>
1:38 AM Jun 4th via bitly

Governance 2.0: Building a community



Social Media and Pensions

The screenshot shows the mallowstreet website, which is described as "A place for the pensions community to connect and share knowledge." It features a navigation bar with options like "Get Involved", "A World of Opportunity", "Find Wisdom in Crowds", "Connect to the Experts", and "Shout about it!". Below this, there are sections for "What is mallowstreet?", "What people say...", and a "m tweet" section. A video player shows David Kinnedy-Ahlu, the founder. To the right, a Twitter profile for Robert Gardner is visible, showing his bio, location (London), and various professional affiliations including CONFERMAN, AVIVA, RAC, SPT, and REDINGTON. A small number "30" is in the bottom right corner.

Social Media and Pensions

The screenshot displays a Twitter post from FiduciaryX. The tweet text reads: "http://ow.ly/1RFyO gets you to our new issue of #Investment Best Practices Matters. Learn more about our educational webinars & interviews." Below the tweet, there is a LinkedIn profile for Investment Governance, Inc. The profile includes a navigation bar with "Overview", "Followers (0)", and "Activity". The bio states: "Investment Governance, Inc. is an independent research, analysis, education and data company. Investment Governance, Inc. offers a wide array of data and training products for pensions, endowments, foundations, family offices, sovereign wealth funds and mutual fund board members." A small number "31" is in the bottom right corner.

Social Media and Pensions

mallowstreet

It's the start of another week of expectation, opportunity and optimism among the mallowstreet community, both business and in talk of the FIFA World Cup (starting later this week). And the pensions community is digging deep in mallowstreet for ideas and interaction on the key issues behind managing pensions.

Wisdom of the Crowd



Gifts to rise or once in a generation opportunity?

Friday's non-farm payroll disappointment helped to firmly kick the markets into "risk off" mode. For those of you who missed it, the headline creation was +431k which sounds good; except 41k was the result of people being employed to gather census data.



Not inspirational

The announcement of the rescue package failed to stabilize the situation, perhaps because more people knew how deep the problems went than the government realized. None of the central banks had faced an international financial crisis before; they therefore had to make things up as they went along.



Making a New Connection: Why Better?

In my last blog post ([Trusting Strangers, Cheltenham Races, Facebook and the Wise Crowd](#)) I talked about my experience at the Cheltenham Races and taking advice from a group of people who I had never met.



When Lizards ruled the Earth...

Twitter first became popular in the workplace in the mid 90's (at least that is when it became popular in many banks) and it was touted as an, ahem, invaluable "research tool".



Getting the house in order seems to make sense

It was only during some timing for mallowstreet yesterday that I realised just how essential good administration is to every element of running a pension scheme.



Would you bet on The Netherlands to win the World Cup?

With the FIFA World Cup just around the corner now, football fans are turning their attention to the prospects and potential results of the tournament.

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Forum Thinking

What Should Pension Fund Trustees Do to Position Portfolios in the Current Environment?

The combined risks of China tightening, European sovereign debt issues and the US economy are weighing heavily on market sentiment, valuations and liquidity. [Read more](#)

SHOULD we fret more about inflation or Deflation?

I have just read this excellent article "The deflation dilemma" in the economist and am now following the debate... [Read more](#)

Scrapping the BP dividend

The money BP has set aside for its Dividend dwarf's the money it is setting aside for the clean up in the Gulf of Mexico. Political pressure in the US may force it to reduce or scrap its dividend this year. [Read more](#)

Should we get Harry Hill in to referee the Prudential fight?

On a more serious note, the Pru board were adamant that heads will not roll over the AIA fiasco. I can't wait for the next AGM when the shareholders get to decide. [Read more](#)

Should we run a mallowstreet sweepstake on the World Cup?

The FIFA World Cup 2010 tournament begins in less than a week's time on 20th June. And we know the mallowstreet audience is both passionate about its football and charitable causes. So should we run a mallowstreet sweepstake on the World Cup, with proceeds going to charity? [Read more](#)

Community Comments

Nudge Nudge

I'm having a day of discovery in Blogsville today. Another great contribution I'd not seen before. The most interesting comment is your penultimate paragraph, Rob. All too often, "the US mode" is pushed as being where we ought to be. [Read more](#)

Identifying and removing waste from Pension Board decision-making

I hadn't seen this blog before now - clearly, I'm not delving in to the depths of Mallowstreet and sticking to my comfort zone of the Forums! I'm a huge fan of Leon. I first learned about it when Leon was deployed in pensions administration... [Read more](#)

Would you bet on The Netherlands to win the World Cup?

If you want to talk about Big Brother, take a look at the way FIFA are behaving in South Africa. They are clamping down on preventing anyone using any references to the World Cup who are not currently sponsors. [Read more](#)

What trustees are saying

We want **one place** to access all information

I can **share experiences** with other trustees

We each have **defined roles**

I can **see what others think** about solutions

I can work at my **own pace**, when I have time

We have **more regular meetings** so spend more time looking forward than recapping the past

We use **independent trustees to challenge** the board, advisors, managers etc

I feel **better informed to make decisions**

We have a **small working group** that focuses on implementation

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Another way

Community

Share experience

Hear others' views on providers

In your own time

Targeted education

Better governance

Retain control

Define roles

More regular meetings

Smaller implementation groups

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Social Filtering

Amount of Noise

Low
High

	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Social Media</p> </div> <div style="width: 45%;"> <p>Internet Media</p> </div> </div>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Distribution Capacity</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Traditional (non-digital) Media</p> </div> <div style="width: 45%;"> <p>PC Media</p> </div> </div>

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Be responsive to change



**“It is not the strongest of the species that survive,
nor the most intelligent, but the most responsive
to change”**

Charles Darwin – Origin of the Species (1809 – 1882)


The Kindness of strangers

- **The Kindness of strangers**
- **...explosion of social media** and online work will continue to blur geographic boundaries
- ...continuous improvements in communication and technology.
- ...actuaries will be even **more globalised**.
- Actuaries have the opportunity to help their clients (and each other) with their skills and experience – need to adapt to changing landscape.
- **Thank you and connect with me...**

Contacts

Feel free to connect, share and discuss

...mail, phone and email

Redington 13-15 Mallow Street London EC1Y 6RD	Direct Line: +44 (0) 20 7250 3416 Telephone: +44 (0) 20 7250 3331	
Robert Gardner Founder & Co-CEO robert.gardner@redington.co.uk www.redington.co.uk		

In addition...

<http://twitter.com/robertgardner>



<http://uk.linkedin.com/in/robertgardner>



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