

## MARKETING THE ACTUARIAL PROFESSION

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*A wandering actuary I, a thing of shreds and patches, reduced to selling matches, in shady city pubs.*

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### 1. INTRODUCTION

#### *Scope of the Paper*

1.1 THIS paper was born over a year ago in Autumn 1983 when I proposed a thorough discussion of the whole current image of the actuarial profession.

1.2. The reasons I gave then were:

- (a) There were a number of current debates affecting our livelihood into which there had been little official input from the profession, the pensions debate at the time being an example.
- (b) There had been no effective response to specific attacks on us by other professions; judges for example, or by the financial media.
- (c) A number of actuaries in major positions reported a disturbing lack of knowledge of the profession among prospective new recruits, combined with a view that the profession is becoming a less attractive career option.
- (d) We live in a changing world where the role of all the professions is being brought under public scrutiny, with the need to justify the quality and relevance of the services available. Other professions are taking very positive action to communicate an image and a role, this affects us directly as well as indirectly.
- (e) There has been no comprehensive paper or related discussion within the profession before, arising not least from a feeling that it was not needed, as we are small and safe, secure within the wider financial and professional system.

1.3 The initial research that I undertook with the particular assistance of the Students' Society and the provincial societies was necessarily into feelings and opinions within our profession, in expectation of some consensus of needs on which to base further research and action.

1.4 In fact I found the differences of opinion as between actuaries sufficiently wide and disturbing, when taken with the wider changes even in the short period since the end of 1983, to lead to immediate and important conclusions.

1.5 These conclusions are:

- (a) That there is a vital need to improve the image of the actuarial profession.
- (b) Even more important, however, that this reflects the need to examine the

present structure and role of the actuarial profession itself, and the role of the individual actuary, in a rapidly changing professional, commercial and financial world. Put simply we must define *what* the image is of, and *to whom* does it need to be projected.

- (c) That this is best done by a full marketing programme. It is crucial to this paper that the term 'marketing' is used, not in the earlier limited sense of 'selling' only, but in its full modern management meaning, which seeks to optimize the total future activity of the profession to a given end. This implies some assessment of what is likely to happen in the future, leading to the development of some objectives and guidelines to give purpose and direction, and against which to measure progress, or otherwise.
- (d) Most important of all that there is an initial need to achieve some consensus of views on these objectives before any marketing programme, however simple, can commence. Action aimed at the short term can only be cosmetic.
- (e) There is no alternative to such a programme if the actuarial profession is to survive.

1.6 The object of this paper is to lead a discussion through the headings of such a programme to see if a consensus is possible.

### *Initial Questions*

1.7 Our traditional role is to advise other people about the future, so the questions about our future which should be in our minds as individual actuaries are:

- (a) What is the shape of the financial, commercial, professional world of the future?
- (b) What have actuaries got as a 'unique selling point' that is needed in the future?
- (c) Where is it needed and by whom?
- (d) How is it best developed and presented?
- (e) In what kind of business context do actuaries work?
  - (i) as individuals employed within new financial and commercial groupings?
  - (ii) as groups of consulting actuaries advising from without?
  - (iii) as groups of working actuaries 'bought in'?
- (f) What kind of support structure do we need to provide for individual actuaries?

### *Support Structure*

1.8 The support structure we have at present is, of course, the actuarial profession. I close this introduction by postulating some long term alternatives (some likely, some less likely) for actuaries as a collective body.

- (a) The worst scenario is that the profession becomes increasingly out of date as a unity, and eventually disappears, any relevant part, examination or otherwise, being absorbed elsewhere.
- (b) It is decided to maximize the specialization of the two major areas of the profession, i.e. traditional life office and pension consultants, by the professional separation of the two areas. The former to increase links with the Insurance Industry, possibly forming an Association of Life Office Actuaries within the Chartered Insurance Institute, the latter expanding the Association of Consulting Actuaries possibly with closer ties with the Pensions Management Institute.
- (c) The profession to stay as it is as a unified body, possibly:
  - (i) becoming a protected section of a new larger body, or
  - (ii) embarking on a positive expansion policy, involving a takeover of related work.

1.9 We are very small, and even if we were able to embark on 1.8 (c) (ii), and say double the size of the profession, we would still be very small in this age of the big battalions.

1.10 Therefore the small size has to be turned to advantage; remembering that one traditional option, to hide, is no longer valid. In abstract, the virtues of being small might be:

- (a) small but very good;
- (b) flexible and able to move rapidly;
- (c) high internal cohesion and morale when we act together.
  - (a) Has implications, particularly in recruitment, education and career prospects. We have to become the first choice of job seeking 1st class graduates.
  - (b) Implies, amongst other things, leadership and internal information flow, discussion and decision procedures being considerably improved in the Institute. This could imply a smaller Council, or a streamlined one with active working parties; together with a different structure of secretariat.
  - (c) It is vitally important for all members of the profession to want to be called, and seen to be, actuaries. In particular the position underlying 1.8 (b) must be ameliorated, for example, in the area of professional conduct.

## 2. THE ACTUARIAL PROFESSION TODAY

2.1 The Institute of Actuaries was formed in 1848 and received its Royal Charter in 1884, just prior to moving into its current home in Staple Inn.

2.2 The Institute sets its own examinations and organizes the necessary tuition. The Students' Society was founded in 1910 particularly to assist in

- this direction; although that role was taken over by the foundation of the Actuarial Tuition Service in 1935.
- 2.3 In the early years actuaries concentrated wholly on the practical problems of the expansion of life assurance. So traditionally the considerable majority of actuaries worked in life or composite offices. The Insurance Industry has always been happy to include us under their wing and outside observers have generally followed this line in their comments.
  - 2.4 In the last thirty years, however, the percentage of actuaries employed in life offices has fallen from over 75% to under 60%; whilst the percentage of consulting actuaries and those in pension and benefit consultancy has risen from just over 5% to nearly 25%, and those in and around the Stock Exchange from 5% to 10%.
  - 2.5 This division by broad type of employer only is relatively unsophisticated in that a life office actuary may actually be involved in pension or investment work, or in general management and a pension consultant may be the appointed actuary to a small life fund. I will pick up this important theme of the expanding range of work that actuaries actually do, and where it is done, later on in the marketing section.
  - 2.6 Returning to this section, another important element of change is that thirty years ago the majority of actuaries worked in London, but as insurance companies joined the wider movement to relocate, over 60% now work and live outside London, in a series of sub-locations both traditional, such as Liverpool, Manchester and Birmingham, and new, for example Bristol and Poole.
  - 2.7 We should note that although the percentage of female Fellows is still only 5%, the percentage of females amongst an historically large number of students has risen to 15%.
  - 2.8 But probably the most important statistic of all concerns our total size relative to other bodies, because the total membership of the Institute, with one third resident overseas, is still only 6,000, made up of 2,500 fellows, 1,000 associates and 2,500 students.
  - 2.9 And although this represents a threefold growth since the war, we remain a very small profession compared with over 100,000 in the four areas of accountancy, 85,000 in the Institute of Bankers, over 50,000 in the Chartered Insurance Institute and over 35,000 solicitors.
  - 2.10 Even the new Pension Management Institute founded in 1976 already musters 3,000, whilst the Society of Investment Analysts (1956) has nearly 2,000 members.

#### *What We Do At Present*

- 2.11 I list below some of the ways in which we conduct our affairs, communicate with ourselves, and directly, or indirectly, communicate with the outside world.

*Press Officer*

2.12 There is no full time press and public relations officer in any professional sense of the word. A member of Council, a practising actuary, is designated as Press Officer; but he plays a very limited role in initiation or response, or even the collection of press references. The majority of responses either come directly from the President or from individual actuaries as they see fit.

*Publications*

2.13 The Institute publishes:

- (a) *Year Book*—containing a list of membership and other related information; in a traditional style that has remained effectively unchanged since the Second World War. It is distributed free to members and placed in major reference centres and available from the Institute on request.
- (b) *Journal*—a collected record of printed sessional papers together with an abstract of the discussion. Very traditional style of a learned academic society. Distribution normally three times a year. Free to members, limited availability elsewhere.

2.14 The Students' Society publishes:

- (c) *Journal*—a collected record of printed meeting papers. No abstract of the discussions are given. Distribution normally once a year. Free to members of the Society, limited availability elsewhere.
- (d) *FIASCO*—an (almost) monthly magazine which in the absence of any other actuarial magazine is available as a forum for any aspect of actuarial life, but is concentrated on the topics central to the working and social life of the young actuary. It carries, very profitably, advertising for pre-qualification actuarial vacancies; and this combined with its youth, enables it to have a modern, healthy aspect. It is distributed free to all members of the Institute and members and students of the Faculty.

2.15 It can be seen that the aim of the publications is at present mainly internal.

2.16 As might be expected since much actuarial work is within the life assurance industry, much actuarial news etc. appears or is placed in the insurance industry publications. This applies both to magazines such as *Post Magazine* and *Insurance Monitor*, and to details of the actuarial profession in, for example, CII publications.

*Educational Material*

2.17 For the last fifty years the teaching material has been available as follows:

- (a) *Official text books*—hard backed, in a traditional conservative style but at least consistent in that they were all published by the same firm.
- (b) *Course notes, tests and solutions, etc.*—simply type-written on A4 (formerly Foolscap) and duplicated as necessary.

- (c) *Special notes, Sessional papers, Students' Society papers*—initially these were obtained by buying or borrowing the relevant publication; subsequently copies were made.

2.18 As text books became more uneconomic in terms of cost of printing and time of preparation, the Institute started to use its new computer-based print room procedures to store all teaching information, and then produce chapters of textbooks, old papers, course notes, etc. and other notes of interest in a simple readable style, simply bound, in-house.

2.19 Whilst not having a strong in-house style at present, an effective consistency is developing.

### *House Style*

2.20 We have our coat of arms with our motto, but the Institute in its various guises has neither any recognizable house style nor any real consistency in what is put out.

### *Recruitment*

2.21 Knowledge of the profession can be obtained by potential recruits from the following sources:

- (a) The Actuarial Profession booklet, Examinations Handbook and Year Book, etc.—available from the Institute on request.
- (b) We are listed in a number of careers handbooks.
- (c) Liaison with all universities in the country is maintained by designated actuaries working conveniently in that area, and in the summer term the Director of Education and another officer embark on a whistle stop tour.
- (d) Such personal contact is backed by occasional booklets or leaflets which endeavour to explain what we do, where we do it and for how much. The leaflets have recently been supplemented by a slide/video presentation which can be purchased.

### *Professional Meetings*

2.22 The core of the Institute activities remains the Victorian style learned society sessional meetings. In more recent years the subject matter of such Institute meetings has swung in balance from topics of actuarial technique to topics of general management.

2.23 The Students' Society meetings (as they are empowered to do) have increasingly taken the burden of meetings on matters of actuarial technique which can at the same time engender a good discussion.

2.24 These meetings have always been held in London. The Council, aware of the increasing proportion of actuaries who work and live outside London, is proposing to hold an actuarial convention, hopefully the first of a series, in Birmingham in the autumn of 1985.

2.25 Sessional meetings and the proposed convention are effectively restricted to actuaries, although guests, perhaps from overseas, occasionally appear.

Sometimes certain specified talks, where questions are allowed, are given by invited speakers from other disciplines.

### *Joint Professional Meetings*

2.26 The Institute has never itself regularly promoted seminars or other discussion forums involving a number of professions. It was therefore a new initiative in Autumn 1983 when the then President organized a seminar on pensions and invited representatives from all interested professional and social bodies, although the presenting panel were still all actuaries.

2.27 The Institute and the Students' Society have always been involved in certain restricted areas of collaboration in particular with the Royal Statistical Society.

### *Social Meetings*

2.28 The major occasion when we make important friends and influence people is the Biennial Dinner held every odd year; with the principal speaker traditionally the Chancellor of the Exchequer.

2.29 A newer innovation has been the President's Dinner, now programmed to fit into the alternate years when there is no Biennial Dinner and again used to invite influential guests from a wide sweep of the outside world.

2.30 On a lower level the various provincial societies have developed programmes of meetings which are probably a happier mix of business and pleasure. There certainly appears to be more involvement with other professions here.

2.31 Finally, we cannot ignore the numerous occasions when an individual actuary meets a member of another profession either for business reasons or on a social occasion. One must hope that both the philosophy, the techniques and the personality on display have the desired effect.

### *Lobby*

2.32 We have never had a strong or persistent lobby; although a number of senior actuaries will be in a position to give influential advice. There is now an MP who is officially briefed to be aware of our interests.

### *Staple Inn*

2.33 We have been fortunate in having as our home for a hundred years, by courtesy of the Prudential, the major part of Staple Inn. Lovingly restored after a direct hit by a flying bomb in 1944, it surely represents one of the most unusual and attractive homes of any of the professions. The timbered front is the only remaining example of Elizabethan street frontage in the City, and the courtyard, garden and hall still echo the descriptions of Dickens, Hawthorne, etc. Yet whilst the office part is no longer big enough to contain the office functions, the hall is seriously under-used, and there are no facilities for any proper service of even a small one day seminar.

*Who Picks Up The Bill*

2.34 Actuaries are still very well paid, but we do already pay a comparatively high annual subscription.

2.35 These subscriptions go to service the running of the Institute and the examinations. In the same way the education system is funded by tuition fees. So each is basically self-financing. There is no other major source of income.

2.36 It is important to realize why this is so. There is no complementary 'actuarial industry' in the way that there is a 'banking industry' to fund major developments in marketing, education, research or whatever. Our major connexion remains the life assurance industry, basically as an employer, but I suggest that this sees a lessening requirement to fund individual actuaries even as employees, let alone the profession as a whole; remembering that the Chartered Insurance Institute will presumably have a prior claim.

2.37 It is relevant also to question, in times of very heavy cutbacks, just how far the universities will be able to offer the new actuarial courses we are proposing.

2.38 So any major new area of development can only at present be funded from an increase in members' subscriptions, and since there must be a limit to the increase that would be acceptable, and in any case a limit to the annual sum available, there is likely to be only a limited sum available for any marketing enterprise.

2.39 However, without wanting to weaken the case this paper is making for an overall marketing policy, finance is only one of the resources required for such a policy, and if the attitude is right, there are many positive steps that can be taken using resources such as human contacts, information, etc existing within the profession.

2.40 In passing, I mention here but do not discuss, the possibility of the *Institute* generating finance by marketing actuarial expertise in certain ways—books, notes, seminars, research projects, etc.

*Internal Cohesion*

2.41 A vital feature of our profession is the cohesion, the strength of the inter-relationships and the number and variety of the intercommunications within the profession.

2.42 The make-up of the profession in the 1950's led to a very strong cohesion, with Staple Inn the focus, because:

- (a) The majority of students would have joined the insurance industry, if not the profession, direct from school.
- (b) The majority of students would meet socially at Staple Inn from the very beginning because of the provision of two half-day study periods given by the employer, the study facilities, together with evening discussion classes, being at Staple Inn.

(c) Having embarked on the profession there were only a limited number of attractive alternatives.

2.43 I believe that the influences for cohesion are weaker now because:

- (a) The majority of students will now have been to university and therefore already have formed working relationships and loyalties.
- (b) Most firms now provide on-premises rooms for study leave, no facilities being available at Staple Inn.
- (c) There are now a growing number of alternative options available both before and during actuarial study which are increasingly attractive as compared with the actuarial profession.

2.44 Whilst obviously the profession has always had a significant proportion of members who, on qualification, took no further part in the business or social life of the profession, it is now nevertheless possible to postulate a growing class of graduate who qualifies quickly, works outside London in a job not strictly actuarial and who sees the Institute solely as an examining body forming one step only in his career advance.

2.45 Certainly it is known that members of the larger professions, accountancy and banking, have this feeling.

2.46 It is for us to decide whether our profession, less than a tenth in size, can afford such alienation.

2.47 Alternatively members may feel that the actuarial profession in the 1950's suffered from claustrophobia rather than cohesion, self satisfaction rather than coherence.

#### *U.K. Actuarial Associations*

##### *Institute of Actuaries Students' Society*

2.48 The Institute of Actuaries Students' Society increasingly follows its important objectives of providing opportunities for members of the profession to meet together officially and unofficially to expand their professional and social horizons. This it does by meetings and publications and by courses on certain specialized subjects.

2.49 Besides this important support for the Institute in London, it is now developing a vital role in strengthening a network with the provincial societies.

##### *Provincial Societies*

2.50 As the profession has grown and dispersed out of London, new Provincial Societies have been formed to join those from the older established centres, and there are now a total of eleven. Their meetings are a happy mixture of business and social, they have good attendances and are most hospitable to visitors.

2.51 They fill an essential role not least because an increasing number of their members admit to rarely visiting London either on business or on Institute

matters. The problem they present is that in discussing key areas of future development of the Institute, their position is as yet uncertain. The Institute or actuaries in London should not, and cannot, tell them what to do; yet they do not have the strength in autonomy possessed by say the provincial banking centres, or the provincial accountants' students societies, so we cannot impose on them duties that they could not at present fulfil.

### *Dining Clubs*

2.52 A long standing and attractive feature of our professional life, the dozen Dining Clubs continue to provide a strengthening of the social bonds within our profession, as well as additional opportunities for exchange of professional views; new ones are still being formed.

2.53 Inhibitions to their future progress however include:

- (a) They are mainly London based, with the limitations already discussed.
- (b) They meet mainly after sessional meetings so that family ties, rising costs, etc. must make them gradually less attractive.
- (c) With the honourable exception of the Fifty-Nine Club in particular, not enough effort is made to encourage social events involving the family.
- (d) There is not enough contact with similar clubs in other professions.

### *The Association of Consulting Actuaries*

2.54 This is really a special case. It was set up in 1951 to bring together the then small number of consulting actuaries, and now acts very much as a business association for them.

2.55 It has presented cases on relevant matters to the Government, to other legislative bodies, and to the Institute, and has embarked on a marketing campaign for its members.

### *Overseas Connections*

2.56 The role of the actuarial profession in the U.K. is currently unique, but we briefly look here at the position of actuaries overseas.

2.57 There are two main divisions:

- (a) Areas formerly in the Commonwealth which grew formally or personally from the Institute, the Faculty or their members; the experience of the Commonwealth generally reflects our position a time ago and has nothing new to offer.
- (b) Areas such as Europe and the U.S.A. where the name actuary has been applied to a role which is basically that of the 'backroom boy' with considerable mathematical ability, where another part of the organization deals with the clients.

2.58 The position of European actuaries is relevant only as far as E.E.C.

regulations are brought to bear on us. All European actuarial qualifications are via university.

2.59 We should observe the recent experience of the U.S.A. very carefully because the profession there is currently split into various smaller groups defined by particular type of work;

- (a) Society of Actuaries.
- (b) Casualty Actuarial Society.
- (c) Conference of Actuaries in Public Practice.
- (d) American Academy of Actuaries.

and critics suggest that each group is more vulnerable to legislative pressure.

### *What We Say About Ourselves*

2.60 As an essential prelude to this paper I collected on an informal basis as many views as possible from different areas of our profession.

2.61 Since one crucial area of change has been the dispersal from London I visited or contacted, with the assistance of the Students' Society, all the provincial societies.

2.62 A second crucial area is the differing types of actuary, and I had discussions with a range of firms and groups, or with representatives from them; the Students' Society mounted a debate on the subject of this paper in May 1984 with opening speakers representing such a range.

2.63 Finally, the subject has been well aired in the columns of FIASCO.

2.64 I give below, in no order of preference, an account of the views expressed.

### *Press Officer*

2.65 A majority of those contacted felt an increasing annoyance at the barrage of actuary jokes and comments in the media last year, and particularly at the lack of any organized response from the Institute. There was almost universal unease at the apparent inadmissibility of actuarial figures in court, and a view that any negotiations between the two professions should be supplemented by a public affirmation of the validity of actuarial tables and quotations.

2.66 Finally, there was much concern at the whole range of circumstances, such as the pensions debate, where an actuarial voice was neither heard nor asked for.

2.67 The idea of a full time professional public relations and press officer attached to the secretariat, with a very positive brief, met with much approval.

### *Importance of Marketing*

2.68 The most marked variation in opinions of the importance of the image of the profession and of what we market and to whom, occurred between the different types of actuarial work.

### *1. Traditional English Life Office*

2.69 Initially I found a considerable sense of inertia and a view that there was no cause for alarm or need for action, now or in the future.

2.70 There were, however, immediate admissions that the question of marketing the profession had never really risen in their minds before; and there has certainly been a willing reliance on the kind of publicity provided by the insurance industry.

2.71 Further discussions, moreover, unearthed a growing concern that the influence of actuaries as a central factor in senior life office management may be lessening.

2.72 In new fields, such as general insurance and re-assurance, the support of the Institute would be valued in persuading employers that actuaries had an important role to play. A further unsatisfactory consequence might be the growth of representative bodies outside the Institute umbrella.

2.73 Finally, I met persistent complaints of 'unprofessional conduct' against consulting actuaries in openly questioning the independence of employed actuaries in joint discussion with prospective clients.

### *2. New Life Offices*

2.74 Here, on the other hand, there was a strong requirement that the Institute should take a positive lead in marketing the actuary, particularly by supporting what was labelled the Financial Actuary and the Valuation Actuary.

2.75 Here too I met the opening of the recurring theme that the current education structure is a bar to both initial recruitment and further development by being:

- (a) far too long,
- (b) irrelevant and out of date in the earlier parts,
- (c) crucially out of date in later parts.

### *3. Consulting Actuaries*

2.76 Here again the view was widely expressed that the actuary in the forefront of commercial activity was inadequately supported by any positive marketing of the actuary by the Institute.

2.77 As the representative body in this area the Association of Consulting Actuaries have felt forced to take action themselves by:

- (a) regular press responses and initiatives,
- (b) regular meetings with the media,
- (c) detailed representations to legislative bodies, etc.

2.78 A key marketing point they feel is the professional integrity of the independent consultant, and this has involved them in concerned discussion about the revision of the rules of professional conduct.

2.79 The various firms do themselves work hard at their image, and at the production of high quality printed matter.

2.80 We should be worried by repeated suggestions that far from being a selling point, the word 'actuary' is now a hindrance to their image.

#### *4. Benefit Consultants*

2.81 This last point is taken further by benefit consultants who suggest that the battle for them was won or lost a decade ago.

2.82 A significant number now suggest that the title 'actuary' is of little use to them and that their own commercial marketing has been sufficiently successful for the active intervention of the Institute now to be as much a hindrance as a benefit.

#### *Education and Recruitment*

2.83 I must return to this theme since it took up almost one-third of the total discussion time. Disquiet was expressed:

- (a) About the nature of the exams themselves, their length and their sins of omission and commission. It is hoped that the Review Committee will solve many of these problems.
- (b) About the deleterious effect of the exams on recruitment. It was felt that their length and obscurity had some selling power when one had fully qualified, but very little before one started.

2.84 Finally, there was a very varied response to questions about the quality and effectiveness of recruitment and careers information promoted or made available to universities. At best, probably depending very much on the personality of the liaison person, it was said to be good. More generally it was said to be unsatisfactory; and in some cases non-existent.

2.85 Without wanting to overload them, the proposed professional tutors may well have an important role here.

2.86 The younger students in particular advocated the need, however costly, for much more information and advice at school level.

2.87 The literature and slide show were too often thought to be irrelevant.

#### *Internal Cohesion*

2.88 I have already suggested that the newer areas of actuarial involvement are, in the absence of a positive initiative from the Institute, likely to begin to form their own associative groups and structures.

2.89 In the same way I believe that the majority of actuaries in the provinces, whether in a local society or not, are growing away from London rather faster than is healthy to the profession. I do not believe that it is desired or desirable that they increase their generally infrequent visits to London, but I do believe that London has an essential duty to increase regular contact, both printed and personal, with them.

2.90 The Students' Society has a vital role to play here, and has already started with FIASCO and the beginnings of a 'meetings roadshow'.

2.91 Finally, one cannot avoid the widespread ignorance among actuaries of either the make-up or more importantly the current deliberations of the ruling body (i.e. the Council) on their behalf. It seems to many of us essential that Council:

- (a) makes its affairs much more widely known, and at an early stage, to the membership,
- (b) recognizes the growing desire that Council be reconstructed to meet the needs of the profession, possibly by some kind of proportional representation both by job and by geography.

#### *Summary Of Our Own Perceived Problems*

2.92 We are a very small profession, 6,000 in all classes, compared with 100,000 accountants and 35,000 solicitors.

2.93 We have a name which is meaningless to the majority of the general public, and misinterpreted by many informed members of the business world. Yet we seem incapable of finding any simple definition of what we are or what we do.

2.94 The profession is not directly comparable to an end-product industry, such as banking, where a central product is more easily definable.

2.95 Our core service, our specialized knowledge which has maintained us for 150 years, now forms a diminishing part of the total insurance industry, as well as being more susceptible to being performed by non-actuaries.

2.96 We are not normally in direct contact with the general public. The vast majority of actuaries traditionally worked within the life assurance industry which they helped to found, and the proportion is still over 50%. This means that we are just one of the contributors to the life industry, which is marketed in its own right, and we are very much linked in that way in, for example, general careers literature.

2.97 At the same time the steady increase in consultancy, particularly in pensions, with a much clearer contact with the client, has led to widening differences of opinion between areas of the profession, both on the need and nature of marketing and on other matters; which is leading to increasing problems in obtaining a consensus of opinion covering the whole of the profession.

2.98 Coincidentally there has been another weakening of our traditional 'social cement' with the majority of the profession now working outside London.

2.99 Much of the essential work of running the profession, education, etc. is done by working actuaries in their spare time. This position may be both unprofessional and beset by a shortage of new volunteers.

2.100 This position may also be reflected in the secretariat, but is difficult to redress if the need is simply more finance. Although actuaries are individually well-paid, the profession is not, since its income depends heavily on members' subscriptions with little income from other sources.

2.101 We still accumulate very inadequate information about our own profession, exactly where it works and what it does.

### *Our Perceived Strengths*

2.102 Nevertheless, many actuaries still see strength in the following features.

2.103 Small = flexible; we do not see ourselves as large and inflexible, like other professions of a larger size.

2.104 Our internal cohesion.

2.105 Our core services.

2.106 The strength of our examinations (*not* the length).

## 3. WHAT IS A PROFESSION?

3.1 For all our special features, it is important for us to appreciate the strengths and weaknesses that we share with other professions. In recent years there has been some hesitancy in defining exactly what is a 'profession'. Nevertheless the traditional essence of a profession is based on the holding of a specialized body of theoretical knowledge; and the responsibilities and privileges that this implies.

3.2 In more detail this implies:

- (1) skill based on theoretical knowledge;
- (2) an extensive period of education and training;
- (3) internally set exams;
- (4) initial test of competence before entry;
- (5) existence of a code of conduct;
- (6) freedom of the profession to regulate itself;
- (7) theme of public service and altruism.

3.3 Although elements of the above have been present in the older professions such as medicine and law since early times; the professions as we know them date from Victorian times, in common with so many other structures, being responses to the problems and changes of the Industrial Age.

3.4 In many ways the professions retained this curiously old-world position, with connotations of a justifiable privilege, right up to the second world war, with an important part of the privilege being the rewards in terms of social prestige and remuneration. The proportion of the working population classing themselves as professional moved only from 4.05% in 1911 to 6.63% in 1951.

3.5 Between 1951 and 1971 the proportion nearly doubled to 11.07%, with the older predominantly male professions being joined by new occupations, notably in service, technology, education and social welfare. This increase has been in inverse proportion to the fall in the other traditional concept of a professional being self-employed.

3.6 A major reason for this is, of course, the enormous expansion of the number of clients whom professionals serve from a privileged minority to the whole range of corporations, institutions and the public at large.

### *Pressures on the Professions*

3.7 The pressures on the professions arise directly from the acceleration of growth and change. If the longer established institutions, including actuaries, originally assumed their present form as a solution to Victorian problems they run the risk of being out-of-date and by-passed as irrelevant in a different, modern world. More specifically, these pressures may be listed as follows.

3.8 Left-wing sociologists, analysts and commentators who suggest that professionalism is essentially a market strategy, in which groups such as actuaries use their position to improve their market situation and incomes. They redefine a profession as one which:

- (a) is elitist;
- (b) restricts entry;
- (c) forms an association to control conduct;
- (d) attempts a monopoly of provision of certain services;
- (e) attempts to get this monopoly backed by law.

3.9 Government Policy. The Department of Trade and Industry, under pressure from consumer lobbies such as the Office of Fair Trading, whilst supporting the continuing role of the professions and the value of self-regulation, has the clearly expressed aim of:

- (a) opening up the professions to competition;
- (b) ensuring that consumers have more choice;
- (c) informing consumers about the professional and financial services available;
- (d) enabling consumers to obtain benefits of more competitive pricing.

The veiled threat has been of specific legislation. A key plank in Government action is to persuade the professional bodies to abandon their tight restrictions on advertising.

3.10 Changes in the Stock Exchange. This has already had the effect, in anticipation, of the rapid assembling of large and very powerful commercial organizations offering a complete range of financial and business services. This poses problems for existing professions in three directions:

- (a) powerful and well-backed competition from non-qualified sources;
- (b) direct or indirect employment of professionals on terms which may form clashes of interest;
- (c) foreign capital for the purchase of U.K. firms and companies.

3.11 Conflict between professions. An immediate result is the blurring or

removal of the traditional barriers between the professions, leading to direct competition between them.

3.12 Technology. The rapid development of technology is creating profound changes in traditional methods of all professions in:

- (a) the content of services and the way provided;
- (b) the change in operational and administrative procedures;
- (c) the increasing level of client expectation;
- (d) product substitution for services that were formerly personalized.

3.13 Changing client attitudes. Clients are rapidly losing any traditional sense of docility or humility towards their professional advisers. They are more ready to query the quality of their professional advice, its honesty or its cost. They are more ready to change advisers and as the number of major corporate clients grows there will always be a choice between consultant advice and in-house provision.

3.14 Changing structure of business. The whole philosophy of the professions is one of specialization, however applied, in the larger organization. There are suggestions now in discussions about future office organization, career structures etc. of a generalism which adopts the necessary parts only of a number of professions into a self-contained unit.

3.15 The media. The business and professional world is now a continuing and attractive subject for news and analysis in all forms of the media, however uninformed. It is no longer possible to stay in hiding.

### *Conclusion*

3.16 In the context of a world of continuous economic and social change, our client, existing and potential, is becoming steadily more knowledgeable, better informed and availed of a wider range of options. It is not a matter of choice, but a matter of survival, that all professions including ours:

- (a) inform and communicate in every possible way the services that are available or can be created;
- (b) continually assess the quality of those services, and the nature of the needs of the market.

3.17 This in fact is a simple definition of Marketing the Actuarial Profession.

## 4. MARKETING

4.1 Marketing was developed initially for manufactured products, then modified for consumer services. Marketing of professional services is now expanding fast because:

- (a) such services remain a growth area;
- (b) the service seen as a product has already been developed to a level where

- the emphasis and growth must lie in the area at which the service is aimed, i.e. the market;
- (c) marketing has been the weak point in the otherwise steady improvement in management over a wide range of services of which the insurance industry is one.

The special nature of professional services, as compared with manufactured products, from the marketing point of view is that:

- (a) they are intangible with no built-in guarantee of satisfaction and they are difficult to demonstrate at the time of sale;
- (b) the quality of the service may vary with time, and the full effect may not be felt until some time in the future, a point that particularly applies to our work;
- (c) they depend on the level and judgement of an individual, not on a standard product.

4.2 Our market strategy involves three main elements:

- (1) *what*—an investigation of our service range. Professions have generally grown around a core service with a widening range of subsidiary services. We must consider:
- (i) which of our 'traditional' services to include in our total range, and if there are any we could lose;
  - (ii) which are new services;
  - (iii) the quality of these services;
  - (iv) why we may have lost users;
  - (v) the quality of competing offers of our type of service.
- (2) *to whom*—a segmentation of the market by:
- (i) identifying the market in which we operate;
  - (ii) selecting the parts of this market we can best satisfy and penetrate;
  - (iii) identifying regular key users;
  - (iv) establish what satisfaction we give them, so that we can improve and extend our range of services to them;
  - (v) establish a profile to attract new users.
- (3) *how*—communication and content of the message which we must convey to existing and potential users. We must:
- (i) provide general information on the actuarial profession and the services we have to offer;
  - (ii) create the favourable perceptions needed for users to make favourable decisions in individual cases.

4.3 Our overall market planning must then be to:

- (a) set up some objectives and guidelines for an acceptable period into the future;
- (b) set up the ability to monitor our progress, monitor changes in the market etc.

4.4 Finally there are four important points to make:

- (a) Consumerism is increasingly influential in marketing, and in public and government opinion at the present time. So the consumer, our client, must be the most important component of our strategy. He uses actuarial services because he perceives that his needs are thereby satisfied. We can no longer rely solely on the protection of statutory requirements or the continuance of past usage.
- (b) Therefore the vital service trilogy we offer the user is:
  - (i) the ability to minimize the uncertainty that a user may still feel when considering the need for our particular professional and financial services;
  - (ii) not a product but a technique for solving certain problems. We need to identify the true nature and size of the user's problem, in the belief that we can solve it better than anyone else;
  - (iii) total professionalism, as in addition to our skills and qualifications, our integrity must be absolute.
- (c) Unlike, for example, accountants or solicitors, actuaries who are employed corporately (in our case mainly in life offices) not only remain in the profession but they still form the majority and dominate our ruling body the Council. The user of actuarial services is therefore not only the pension fund as client of the consulting actuary, but the senior management of a life office, or a related department as an employer.
- (d) We must make a clear distinction between marketing the individual actuary and marketing the profession of which he forms a part. At the same time I believe it impossible to discuss one without the other or to ignore the rights and responsibilities of each.

#### *WHAT*

4.5 The core service provided by the actuary is the ability to quantify the future in a range of long term financial areas, to make the necessary decisions; and to carry them through.

4.6 The techniques we have traditionally applied have been the combination of the mathematical theory of probability, the theory of compound interest and the use of statistical methods.

4.7 Obviously the actuarial profession can have no monopoly on any one of these techniques, so it is essential that individual actuaries, the profession as a whole, our education procedures and our research capabilities continue to develop these techniques to an agreed necessary standard.

4.8 But it is a combination of these techniques that is the basis, the 'unique selling proposition', of our profession, and presumably all actuaries would unite in defence of this point.

4.9 Further, our development of this combination has been synonymous with

the growth of the life assurance industry; and the Education Review now summarizes our four basic current areas of activity as:

- (a) Life Assurance
- (b) Pension Funds
- (c) General Insurance
- (d) Investment

and it seems to many actuaries essential that we remain in the forefront of technical development in these areas.

4.10 This would satisfy the definition of actuaries as insurance mathematicians and would satisfy a proportion of the profession who feel that we can, and should, restrict ourselves to this technical, specialist role.

4.11 The opponents of this limited view believe that:

- (a) we are too often seen as researchers and calculators; not enough credit is given to our powers of decision and execution;
- (b) the number of actuaries required at this level only could eventually fall to a number too low to support the profession;
- (c) to hold even this limited position we need to positively encompass some wider ground.

4.12 It is the nature of this wider ground which gives rise to the three most important differences of opinion on the way ahead:

- (a) extension of our 'core' service to new, probably non-insurance, areas;
- (b) expansion of subsidiary services, leading to a significant change in the centre of gravity;
- (c) potential of corporate management, in life assurance and more generally.

- (a) This follows from the requirement that we remain in the forefront of technical development. The feeling was expressed from representatives of all four areas that neither the exams nor the subsequent work experience fully satisfy this requirement at present, even though they are probably sufficient to maintain our traditional position. At best, however, our work in statistical research, modelling, etc., should be applicable outside the traditional insurance and pensions sphere to a whole range of long term financial problems.
- (b) Within life offices there has been a tendency to separate functions, and in particular to isolate actuaries from developments such as marketing. Within consulting actuaries and benefit consultants there has been a response to a need with the provision of a complete package for the client of core actuarial services with a wide range of subsidiary services, management, tax advice, and other financial services. As these continue to expand the centre of gravity may well shift away from our core towards the subsidiary services. This would follow a more general trend away from specialization towards generalism. But

if, as is possible, consultant firms also become part of larger financial groupings, we could again see the isolation of functions.

- (c) When actuarial techniques formed the significant part of life office activity it was logical that actuaries should assume positions of power not only as life managers and investment managers, but also in more general management. With the separation of activities there has been a tendency for the loss of senior power among actuaries to 'newer' breeds of management, for example marketing. At the same time the mechanization within larger offices of much of the routine work has considerably reduced the duration and age at which young actuaries 'emerge' into the higher levels of management. Whilst we may say that actuaries have the potential to be good managers, we must consider whether any of the examinations, education or office training are geared to realize this potential. Specifically to include management and marketing in the exams would cost time and money. Specifically to exclude them may further diminish the attraction of the profession to prospective new entrants.

#### *To Whom*

##### *A Direct User*

4.13 The existing general market for actuarial expertise is the Government, financial institutions, firms with pensions funds, and life offices; and obviously we should make them completely aware of the nature and quality of the services available from the profession as a whole.

4.14 But I believe that the crucial initial area for our research and action is the very varied interface of the individual actuary with the user.

4.15 Unfortunately this variety is accentuated when compared with other professions in the following ways.

- (a) Actuaries generally remain closer to the 'core' service we have helped to develop than, say, solicitors or accountants in a similar position. So the wider world remains happy to take us at our own valuation that only we can provide such 'core' service, but equally does not accept that we can or should provide any other service.
- (b) Because actuaries employed corporately remain active under the same professional umbrella there is a considerable variety in distance from the final user between a consulting actuary giving direct advice to a client and acting as his own 'retailer'; and an actuary employed on the corporate side providing a service through several intermediaries, or contributing to a service through several intermediaries, or contributing to a service marketed and provided by others, where the 'core' actuarial content has diminished over the years. I believe it is relevant for the pensioner, life assured, whatever, to be seen as a final user; and there may be a further

differentiation between this concept and the provision of a service solely for a financial client.

- (c) The size of user can range from one individual to a corporate decision making machine.
- (d) The number of actuaries remains so small that detailed segmentation reduces some classes to one.
- (e) Even in this case the actuary wields power because the long term nature of our business maximizes the size of the assets under our control.

4.16 The potential market can be seen also to fall into at least two divisions:

- (a) Direct action where, say, a consultant, individual or firm can move directly into a 'growth' area; or *any* area currently underfilled by actuaries. This may be a 'core' area, investment or investment research, or 'subsidiary', fund management, computers.
- (b) Indirect action where the corporate employer moves into or expands in a growth area, like reinsurance. Here the actuary keeps pace with the growth, and tries to be in a position to influence and lead such growth.

4.17 So for the profession to carry out the necessary research requires detailed information from actuaries in the various areas, which the profession as a whole certainly does not hold at the present. It needs actuaries in each area to carry through such a survey. But further, the commercial requirements of competition may make it unlikely that firms, particularly actuarial, would be willing to release such information. This attitude may make short term sense. In the longer term, however, if the actuarial profession wants to stay together individual actuaries must be willing to co-operate on joint action, as an increasing proportion of this competition will come from non-actuarial sources.

4.18 I believe that the client/user remains the most important factor, but at the same time and like other professional services and unlike a manufacturer, we cannot go beyond certain limits to alter the core of the product, the service we offer, and whilst this paper is sympathetic to the idea of growth it is equally essential that we realize what we *cannot* do, and to define areas in which we cannot adequately perform.

4.19 This chicken and egg situation requires the profession to decide exactly what it has to offer the client/user. This and only this will determine the questions we ask clients, existing and prospective.

### *Referrals*

4.20 References and referrals have always been a major source of business for all professional services. Before the loosening of the restrictions on direct advertising this level has been put as high as 80%, and certainly this will have applied to the actuarial profession on the consultant side.

4.21 But this must not be seen as of relevance only to consultants, it must be important that life offices advise each other on the value of and need for their actuarial departments. Referrals within the system come from:

- (a) the Institute
- (b) other actuarial firms
- (c) employers such as insurance companies

and outside the system from:

- (d) existing clients and users
- (e) other professions, particularly accountants and solicitors
- (f) other financial or business bodies.

4.22 Obviously we should encourage them to continue to refer to us, but we must make sure they have the right message when they do so.

4.23 It must be remembered that existing clients and users, with increased awareness and sophistication, whilst willing to stay with us themselves, may now suggest that other people 'play the field'. Also that with the loosening of traditional barriers, other professional or financial firms may be moving into a competitive position.

#### *Potential and New Recruits*

4.24 This is a crucial area of marketing and general policy, for two reasons.

- (a) In discussions last year on both the image of the profession, and on the review of education, increasing emphasis was placed on the future of the profession depending on the recruitment of top class graduates, and the need for such suitable graduates to come to the profession as a first choice.
- (b) Increasing evidence that the advice and information about the actuarial profession given:
  - (i) to new graduates at Universities is very variable;
  - (ii) at school level is often non-existent;
  - (iii) is unsupportive even in the first years in the profession, with the blame and responsibility being laid both on the Institute and on employers (life industry and consultant).

4.25 What we need to say concerns:

- (a) clearly and concisely what actuaries are and the range of things we do and influence;
- (b) that the exams are hard, relevant and unique, but not too long;
- (c) that opportunities for steady advancement, satisfactory remuneration and job satisfaction are considerable.

4.26 We do it:

- (a) in reply to straight questions, and in reply to questions or doubts still undefined, made to the Institute, individual actuaries or employees of actuaries;
- (b) in display and demonstration, careers conferences, etc. wherever relevant;

remembering that a number of actuaries still enter the profession through the life office trawl;

- (c) so as to raise the wider question of whether our drive is via the Institute or via individual offices and employers;
- (d) by an adequate and good supply of literature, and entries in all relevant directories.

4.27 To:

- (a) relevant careers officers and organizations, teachers and lecturers;
- (b) obviously a wide range of potential recruits from universities, polytechnics, down to school level and certainly beyond the traditional trawl of mathematics oriented degrees; whilst not forgetting that ultimately we probably require fewer recruits, but of higher quality, than most other professions. It has proved difficult in the past to define the exact number needed from year to year; we are not under official guidance as with some professions.

4.28 Finally I must re-emphasize the need for an 'after entry service' for new recruits from both the Institute and individual employers.

4.29 We are out of the age of actuarial students as office fodder. The Review Committee has already highlighted the wastage rate among students. I wonder how general is the U.K. Provident's scheme of work graded to progress through the exams?

#### *Opinion Formers, Media and Legislation*

4.30 I think it fair to say that we have not had a good press recently. It has no point to say that this is because the press itself is ignorant. We must take positive steps:

- (a) through our appointed officials, including a press officer;
- (b) through ourselves individually, to get ourselves a better press on specific issues; to become useful for answering more general questions on the economy, the future etc, as actuaries. But most of all always to be generally accessible for comment, questions and criticism.

#### *Ourselves*

4.31 Finally, I believe that we need to do a 'selling-job' on ourselves, because I believe that bad impressions held outside come not only from a lack of positive leadership from the top of our profession, but also from a lack of conviction and a low morale amongst individual actuaries.

4.32 This introduces the important concept of the corporate identity of the profession.

4.33 I have already emphasized the importance of retaining our traditional social cohesion, but if we are to diversify successfully in a work sense from this base we need a cohesion of purpose, policy and information. This has

implications right through to both a fuller knowledge of Council proceedings, and possibly a re-structuring of Council itself.

4.34 Most of all we need to segment our total membership into students, traditional actuaries, out of London, etc., and then to investigate in depth the equity and adequacy of the support that the profession gives to each of these groups.

## 5. CONCLUSIONS

### *Respective Roles of the Institute and the Individual Actuary*

5.1 The role of the Institute, representing the profession in general, must be to give support to individual actuaries.

5.2 But we can immediately abstract from the preceding section three crucial roles for the Institute.

#### *(1) To Develop Favourable Perceptions*

For the whole profession in a way that individual actuaries can operate in the most favourable way.

#### *(2) Research into Markets, Services, etc.*

Whilst some actuarial firms can, and do, carry out their own research, in many cases the cost, or applicability, may be absent. This is a role the Institute can and should fill.

#### *(3) Overall Plan*

Most of all the Institute should research and set up an overall development plan for the future of the actuarial profession, covering all areas of our present and potential activity.

5.3 The role of the individual actuary must then be:

- (a) to ensure that the Institute and Council truly represent the profession as a whole;
- (b) to then give the profession total support.

5.4 Ultimately, the profession will be judged, and the future determined, by the individual actuary in his every day activities.

### *Image and Favourable Perceptions*

5.5 There are actually four images of the profession, which may not overlap:

- (a) the image that we think we have;
- (b) the image that we actually have;
- (c) the image that we want to have;
- (d) the image that we really need.

- (a) Traditionally professions prided themselves on being seen as respected, dedicated, intelligent, altruistic, deserving of high pay and position; yet helpful and communicative.
- (b) It is now breaking in to all our thoughts that we are actually seen as aloof, unhelpful, overpaid, defensively restrictive and bad communicators. The actuary in particular is seen as a mathematician in an ivory tower, speaking mumbo-jumbo, now in charge of enormous sums of money yet curiously naïve about the real business world.

Equally important is that we are still not seen sufficiently clearly as:

- (i) working in the future and seeking to reduce the financial uncertainties involved therein;
  - (ii) involved at the centre, in the reduction of such uncertainties for individual human beings, lives assured, pensioners, widows, members in health care.
- (c) What we want to be varies quite considerably within the profession; some hanker to be back in the traditional roles, quietly respected with a low profile; other impatiently want us to be up-to-the-minute razor sharp businessmen.
  - (d) What we actually need may be all or none of these and this paper can only open the discussion, because:
    - (i) such an image is the end not the beginning of an involved market process;
    - (ii) there is a difference between;
      - a *general image* of the profession as a whole, the average actuary, as seen by a total public, some of whom will never need our services, and
      - a *multiple specific image* of the individual actuary for his various roles and individual relationships with his particular public, most of whom will already have some knowledge and awareness.

5.6 So the vital area is the way that the individual actuary relates to, and is perceived by, his own little universe of 'specialised publics' and the wider image of the total profession both arises from and supports this.

5.7 The success of the profession in developing a corporate identity will be reflected by the degree to which the four images come together. Some general points to remember are:

- (a) image remains a major factor in choosing or retaining a professional service, because other features are intangible;
- (b) image is made up of a number of factors, many of which the client is not conscious of; there is the visible service we provide; its promptness, correctness and availability at an acceptable fee, and also a lot of invisibles, such as telephone response, premises, indirect attitude of other staff, how mutual contacts treat us;
- (c) an image is always projected whether we mean to or not. To do nothing does not make us invisible, only aloof;

- (d) first impressions are very important and lasting and a bad one takes a lot of redeeming;
- (e) but impressions do change, because image is not just a once-for-all-time painting to order; but something that eventually evolves out of what an actuary actually is and, most of all, does all the time;
- (f) and finally, a key client for however long, and however good the 'image' he has of his actuary, is still affected by the very general image that the profession projects to the world;
- (g) some other professions have attempted to heighten their profile, in certain cases forced by Government intervention. Whilst we should actively consider further action we can afford to wait and watch for the results (good or otherwise) of their moves since October last.

*Research into Markets, Services, etc.*

5.8 There are three areas where further immediate research is indicated, which this paper is not empowered to undertake. All three investigate the vital area already defined by this paper, namely what other people think of us.

- (a) A general image of the profession as a whole, by the world in which our publics operate.
- (b) The more specific view of the profession by careers organizations and officers, particularly in universities and schools.
- (c) An analysis in some detail of the various markets in which actuaries do, or could, work, looking at what we have to offer, and the strength of the opposition.

The first two, (a) and (b), are the easiest because:

- (1) they can be organized solely by the Institute;
- (2) they need not cost much because they can largely employ existing Institute resources and knowledge;
- (3) they need not be complicated, because we already have some idea what will be said. The case is to clarify the picture;
- (4) they can be started almost immediately because although in the overall context of the plan, review is relevant, we can get a first view without it.

The third, (c), however, is:

- (5) dependent for its questions on the profession's view of where it wants to go;
- (6) must be a co-operative venture involving the various actuarial firms and employees, and the Institute;
- (7) will be more complicated because of the wider fields we need to look at in some detail;
- (8) therefore will involve some outlay in time and money.

*Short Term Action*

5.9 Before we look at the long term overall priorities for the profession, and undertake any necessary research, the *what* and *why*; there are a number of short term actions or reviews that we can immediately undertake.

5.10 Because they are all intended to improve, modernize and make consistent the way the profession administers and presents itself, we may consider the *how*; whatever we decide our long term aims and direction to be.

5.11 They represent a definite responsibility to communicate in clear concise language with, and be available to, both our own internal membership and the world in which we operate.

*(1) Press and Public Relations Officer*

A full time professional, permanent member of the Secretariat, who must have the full support of the profession, and complete access to information. Normally he would be the official spokesman for the profession to:

- (a) reply to any comments about actuaries or the profession;
- (b) respond to other subjects and issues which concern us;
- (c) step in where the profession should have been mentioned and was not;
- (d) activate a regular supply of press releases and articles on the profession;
- (e) set up and maintain a file of what is said about us;
- (f) liaise with other relevant publications, both actuarial and those covering the life or pensions industry;
- (g) update references in all almanacs and directories, together with annual careers information;
- (h) maintain regular contact with the press and media, financial in particular, not just when special statements are to be made;
- (i) rewrite all Institute career and promotional literature.

*(2) Rationalization of Design, Print and Publications Policy*

Priority should be given to continued development and co-ordination of the new computer based word processors in the Institute and ATS; with the aim that all information can be held in-house. In particular that all educational notes and text books can then be continually up-dated and produced as necessary in as limited a number as necessary. The Institute should also:

- (a) adopt a positive and consistent house style for all letterheads, forms, receipts, etc.;
- (b) re-design all career and promotional literature;
- (c) liaise with Editors of:
  - (i) Institute Journal and Year Book;
  - (ii) FIASCO and Students' Society Journal;
- (d) consider whether there is a need for a regular Institute magazine, and if so, how could it be funded;

- (e) review other forms of presentations, videos, etc.

(3) *Rationalization of Meetings and Venues*

Review the role of meetings that we hold, business, academic and social, both for our own benefit and for the outside world; looking also at the available venues and the up-to-date facilities they do, or do not provide, and the role of Staple Inn.

- (a) Role of Institute Sessional Meetings, have they outlived any function of live spontaneous debate?
- (b) Replacement by more structured meetings, like the very successful seminar on the Education Review Report.
- (c) Role of the Students' Society Meetings, should these now take over a dual Students' Society/Institute function.
- (d) Encourage in every possible way the maintenance of the Provincial Societies.
- (e) Encouragement of meetings and seminars jointly and co-promoted with other professions and bodies.
- (f) Role of social meetings and dinners; despite the apparent success of the recent *President's Dinner*, is the *Biennial Dinner* becoming out of date; should they be replaced by smaller, more frequent dinners or lunches with selected areas of the business world. Consider holding Presidential press lunches. Might not the dining clubs investigate each sponsoring one guest night for the other professions.
- (g) Staple Inn, inside and out, is a unique London example of its kind. Yet it is very under-used and woefully inadequate in present day facilities for either detailed technical meetings, or social meetings involving proper catering. In our discussions with the Prudential on the renewal of the lease and need for further accommodation, we should concentrate on an overall concept of the Hall, Council Chamber, Redington Room, lower ground floor area, etc. for members and important guests with up-to-date facilities. It should be used more as a welcoming focus to:
  - (i) older actuaries who see it as home;
  - (ii) the extended family of new and overseas actuaries;
  - (iii) our colleagues in other professions and the business world in general.

*Long Term Action*

5.12 Actuaries' special ability is the ability to tell other people how to organize their personal finances over the future working and retired life.

5.13 My opening section suggests that it is now time for us to carry out the same exercise on ourselves.

5.14 Subsequent sections have outlined how we stand today and some of the views, often conflicting, that we hold about the future. I have also proposed research into current and potential markets.

5.15 A view of future trends suggest the likelihood of:

- (a) a limited number of larger organizations providing a complete range of financial services;
- (b) an increase in the importance of international and multi-national markets;
- (c) an increase in the importance of services to the mid and old ages;
- (d) increased emphasis on management and marketing;
- (e) reduced emphasis on specialization carried through a whole career;
- (f) continued de-skilling of low and middle management.

5.16 I repeat that we must:

- (1) plot some alternatives for the business world in the beginning of the 21st century;
- (2) suggest how actuaries can fit into this world, and how many of us can, or need, there be;
- (3) consider how will our working life be structured, and how will our professional support groups need to change.

#### *Plan for Development*

5.17 Therefore I propose that Council sets up a Working Party forthwith to draft an overall plan for the development of the profession, under the following headings.

- (a) Options:
  - (i) Is the profession adaptive, does it react as events occur, or
  - (ii) does it follow some planned course, which attempts to favourably influence a number of variables.
- (b) Objectives:
 

This defines the purpose of the plan over a time period of, say, twenty years, and outlines a consensus of aims for the profession.
- (c) Strategy:
 

This would outline a general approach to the achievement of these aims. This would incorporate the market strategy, the research and the review of available resources discussed earlier in this paper, with all their implications.
- (d) Presentation to Members:
 

This could be on the lines of the excellent procedure adopted for the Review Committee.

5.18 I have suggested that along with this exercise of our intellect there is greater need for an exercise of will, to achieve a consensus of the way forward. I will call this heart, our American cousins refer to another part of the anatomy.

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