

Actuarial Consulting  
Requires

**MORE**

Than Quantitative

**Skills**

BY ANNMARIE GEDDES BARIBEAU



**J**effrey Zilahy, a mathematics professor turned health insurance reserving actuary, had a decision to make. Since his wife's career was calling her to the New York City area, Zilahy began exploring the prospect of becoming an actuarial consultant. "You have to look at who you are and what you want to accomplish in life," he said.

**S**ooner or later, many actuaries find themselves in the position of considering consulting work. Some begin their careers as consultants. Others start off working for insurance companies and later evaluate the consulting option at mid-career or retirement age.

“There is an allure to consulting,” said Roosevelt Mosley, a principal with Pinnacle Actuarial Resources, due to the variety of work and income potential. After working six years for insurance companies with “well-defined processes,” he was ready to take the plunge. Now, he said, “I never know what I am going to be doing from day to day, which creates its own challenges.”

### Lifestyle Factors

Before entering the world of consulting, actuaries should first evaluate their strengths, weaknesses, desires, and aspirations, because these ultimately guide career decisions.

“Consulting positions vary considerably. For some firms, especially accounting firms, 90 percent of consulting is reserving and audit support,” said Pauline Reimer, an actuary and recruiter for Pryor Associates Executive Search. “Other consulting firms may have a simultaneous focus on pricing, reserving, and predictive modeling, so the work is much more diversified,” she added.

While the demands of any job depend on the company, the management, and other factors, there often are trade-offs between the stability of insurance companies and the fluidity of consulting work. Advising clients, sources said, often requires the willingness to work long, unpredictable hours and stay connected, which can interfere with personal time. Part of the long hours also can include client travel, at times with last-minute notice.

“It’s important to evaluate your lifestyle preferences and needs when considering a consulting role,” Reimer said.

“Client schedules dictate everything,” said Zilahy, who now is an actuarial consultant for Korn Ferry Hay Group. For him, this meant accepting unpredictable workloads that make it more difficult to schedule for compensated study time, which will delay the exam process. In contrast, he noted, the routine in his insurance company job made planning study opportunities easier.

Aspiring consultants have to ask themselves whether they are “willing to get into a business that could be more risky and effect you more personally than in an insurance environment,” Mosley said. Bringing home the point, he added, “If this client said, ‘You need to be here on your wife’s birthday,’ what are you going to do? Are you going to satisfy your biggest client or upset your wife?”

The willingness to be flexible is critical to consulting for other reasons. “Generally the team changes with every project,” said Claudine Modlin, lead of pricing, product management, claims analytics, and underwriting for the Americas for Willis Towers Watson.

Part of being flexible is the ability of consultants to “self-monitor” behaviors “to be what your client wants you to be,” said Stephanie Gould Rabin, an actuary and head of corporate strategy and senior vice president of Holborn, a reinsurance broker. That means being able to pick up on subtle—and not-so-subtle—client cues to make them more comfortable.



This also speaks to adaptability. “As a consultant you really have to have the ability to adapt and understand quickly the client’s culture and infrastructure,” said Thomas A. Campbell, secretary-treasurer of the Academy and senior consulting actuary for Actuarial Resources Corp., who became an actuarial consultant after working 30 years for a life insurance company. That includes quickly figuring out the best go-to person and locating information, he added.

Because consultants are “parachuted into” a client’s unique organizational structure and culture, Modlin said, they need to immerse themselves in it. Having a natural curiosity also helps tease out the presenting issues from the actual business problem.

And because consulting firms tend to be relatively flat, consultants must be comfortable working both autonomously and with a team, she said. While consulting firms support some training, “There is an expectation that your development would be somewhat self-driven,” she added.

Consulting requires greater technical proficiency as well, because as consultants move up the ladder, they become the last line of defense before a product is submitted to a client, Mosley said. Correspondingly, a solid reputation, built on quality work and meeting deadlines, also is critical. “Honestly, having no reputation is better than having a bad one,” Mosley said. “I’ve seen some people get bad reputations, and that can be the end of a consulting career.”

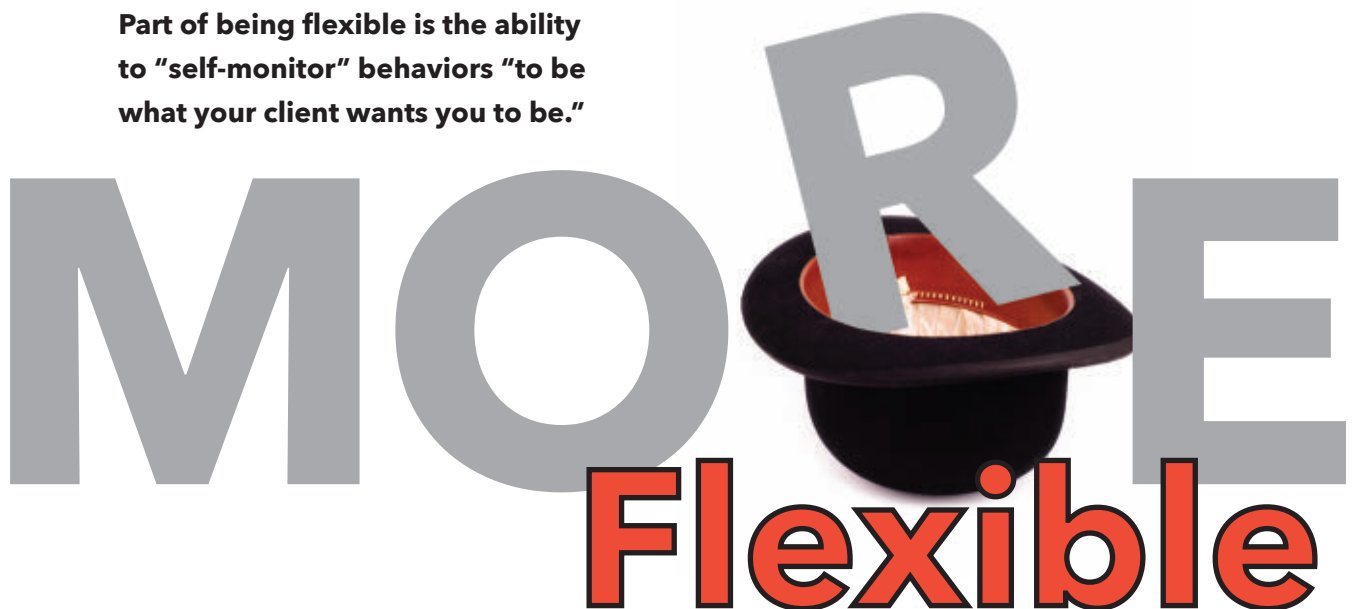
The ability to clearly communicate, both interpersonally and through the written word, also is critical. People drawn to objective quantifying careers “want the math to speak for them,” Modlin said. However, the consultant’s role is to produce the actuarial work and specific actionable insights to help enact change. “You are being engaged to transform the client, not simply to produce the analysis,” she noted.

“You have to be an actual problem-solver and communicator, and most people are not built that way—especially actuaries,” Rabin said. “If a consultant cannot connect with the client, then all of the hard work is lost. This is especially true when trying to present complex analytical work to a non-actuary,” she added. Clear communication requires being able to see information through the eyes of the client, Mosley said. “You need the ability to take off your actuary hat and put on your client’s hat,” he added.

Consulting actuaries also should be willing and able to help promote and market their firms through social media and websites, said Don Mango, adjunct professor at Columbia University who started his own consulting firm, Innovensure Advisory Solutions.

Fortunately, there are ways to build on necessary skills. Recognizing that extroverted behavior helps develop ongoing client relationships, Rabin, who also is an industrial organizational psychologist, challenged herself to improve in this area. Her methods include taking an improv class and spending time near the refreshment area at networking events.

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## Actuaries who want to become part of the consulting world need to know themselves—and the expectations of the firms they join.

Volunteering at the Academy and other organizations also gives actuaries the opportunity to practice presenting information and hone leadership abilities through committee work, Campbell said. However, volunteering is not for finding clients. “People recognize when someone is working as a volunteer solely for the purpose of marketing,” he said, and fortunately, the practice is not widespread.

### Making Rain

Climbing further up to senior-level consulting has different demands and requires different skills, including the stomach for the greater level of risk and reward. The consulting business can be fickle, Mosley said. “The upside potential is there, but there is a deeper downside potential. Business is not always stable or guaranteed,” he said.

For many firms, “The further you go up the ladder, the more sales becomes part of your job,” Zilahy said. “For the partners, so much work is just generating more work.” Since Zilahy is open to making sales, his boss is including him in the proposal process and meeting with clients.

“It was eye-opening,” he said, because so much of what students learn about the actuarial profession is focused on the technical side, exams, and becoming an expert at Excel. “There is not much discussion on what happens when you climb the corporate ladder and your job changes and you need to step out of the spreadsheet and math books and into more of a sales role,” he added. Of course, not all consulting roles require sales, “But the point is to be aware of the entire trajectory of your career, not just what the first few years look like.”

The requirement to make rain depends on a firm’s expectations and the consultant’s career goals. The more that consultants desire senior management positions, the more likely they will be called upon to do business development. The size of the firm is another determiner. Generally, the smaller the firm, the more consultants will be called upon to assist with promoting a firm and bringing in business.

This underscores the need to balance abilities with the expectations of consulting firms. “There have been situations whereby consultants with twenty-plus years of experience lost their jobs because they did not bring

in \$2 million-plus of business a year,” Reimer said. “The ability to meet these lofty goals depends on many factors—for example, cultivating business relationships—but due to mergers and acquisitions, clients can evaporate overnight for reasons beyond the consultant’s control.”

Actuaries tend to bristle at making sales. “Most actuaries are not generally rainmakers by nature,” Reimer said, nor are they comfortable with their performance evaluations being based on new business development.

Actuaries can overcome their reticence by understanding what sales means on a practical level. Sales is about managing expectations and building relationships, Modlin said. “Business development involves establishing credibility by helping the client define the business problem, often through expertly crafted and challenging questions, and ultimately conveying a proposed solution and how it will benefit the client,” she said.

Mango wants actuaries to know that selling is not as difficult as it might seem. Actuaries who work for insurance companies should realize they already are using sales skills in their current jobs, he said. “Presenting reserving results that impact bonuses is a tough sell to CEOs, and persuading others of your actuarial work product’s validity is also a form of sales,” he said.

He also cautions against believing that rainmaking can compromise professional integrity. Also, actuaries should not approach producing sales and marketing materials and raising their profile as if it were subject to the same standards as court testimony. He also discourages actuaries from downplaying their expertise. “When selling, or even more so on ‘credentialing’ in response to an RFP, they see what they are lacking as opposed to what they bring,” he added.

### Conclusion

Pondering the idea of being an actuarial consultant is common. However, skills and even personality traits required for success often do not come easily for those attracted to quantitative work. Actuaries who want to become part of the consulting world need to know themselves—and the expectations of the firms they join.

Fortunately, there are a variety of consulting roles available and infinite opportunities to improve the skills necessary for climbing the consulting career ladder.

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