

IAA STRATEGIC PLANNING SUBCOMMITTEE

DISCUSSION PAPER

for a

PROPOSED NEW STRATEGIC OBJECTIVE – BRANDING

February, 2012

Background

Under the chairmanship of Desmond Smith, the Strategic Planning Subcommittee (SPS) surveyed member associations in 2011 regarding the strategic direction of the IAA. The survey asked detailed questions, both numeric and open ended, regarding each of the five strategic objectives (SOs) listed in the IAA's Strategic Plan. Forty-one of the 63 full member associations at the time responded to the survey. One of its outcomes was a recommendation by a few associations that the IAA add a sixth strategic objective:

We support an additional Strategic Objective supporting the enhancement of the profession's brand and image to be #4.

The SOA [Society of Actuaries] recommends adding an initiative supporting the enhancement of the profession's brand and image. Such an initiative, if added, would garner a higher ranking from the SOA than the current SO4 and SO5.

A list of the current SOs with the priorities/action plans of each is attached as an appendix. A summary of the survey's findings and written comments is available at http://www.actuaries.org/index.cfm?lang=EN&DSP=CTTEES_TFSP&ACT=MEETINGS.

The SPS followed up on this suggestion by developing proposed wording for such a new strategic objective, together with a discussion. This paper provides that information.

Proposed Wording

For discussion purposes, this wording for a new branding-related SO is proposed:

Strategic Objective 6: Improve recognition of the actuarial profession among external audiences, including employers, other professionals, academics, regulators, students, and the public.

Priorities/Action Plans

1. Build an actuary brand to increase the breadth of awareness of the skills and training of actuaries in traditional and non-traditional areas of practice;
2. Promote the recognition of the actuary as a professional governed by codes of conduct, professional standards, and a disciplinary process; and
3. Work in conjunction with local member associations to communicate the brand message internally within the IAA, its member associations and actuaries worldwide.

This SO is needed because the profession has to publicize itself explicitly globally, rather than rely exclusively on the cumulative efforts of member associations and the reputation of individual actuaries. It is also needed to counteract certain stereotypes of actuaries: for example, the image of the actuary as brilliant analyst, with little business acumen. The SPS believes that branding is already an implicit strategy of the IAA, as indicated by the number of branding-related activities identified later in this paper. This new recommended SO would make the strategy explicit.

Each of the three priorities refers to a different aspect of the strategic objective:

- Priority 1 refers mainly to communications around the training and skills of the actuary;
- Priority 2 refers to the rigor and discipline that enforces consistent quality of actuarial work. Consistency is a fundamental aspect of building and sustaining a brand.; and
- Priority 3 tries to ensure that the external brand message is supported and reinforced from within the organization.

Member associations are different in size, and at different stages of maturity of the industry and profession. A single brand image, internationally, may or may not be appropriate. With the new SO on branding, a subcommittee or other group will need to work with member associations to ensure that the right brand message, or parts of it, are delivered locally. The group will also need to develop detailed action plans and create measures of brand-building success.

Benefits and Concerns

A brand can be a name, tagline, logo, or some other identifying mark. It symbolizes a promise of consistency. It evokes in a user the anticipation of a brand experience. Over time, consistent customer experiences strengthen it. A brand for an organization is analogous to an individual's personality. In the case of actuaries, it would be the credential(s) of the member association, the logo(s), and even the name "actuary." A brand is highly valuable to most organizations, and in fact in the discipline of enterprise risk management (ERM), current discussions indicate that reputation risk (i.e., loss of brand value) is one of the most severe, most likely, and most rapid risks that may emerge.

The benefits of branding include improved credibility and greater employment for actuaries. Awareness of the actuary brand will lead to more frequent usage and greater reliance on the work of actuaries by employers, regulators, news media and other constituents. These constituents are like users of a consumer product brand. Consulting actuaries may be able to acquire engagements less expensively, company actuaries may be perceived as more influential, and the public may begin to recognize the value of actuaries' work.

This is an example of where smaller member associations could benefit greatly from IAA support. The profession may not be well known in some countries. The larger, more established associations may prefer to proceed more independently, but could coordinate their activities and communications consistent with the global brand, to the extent appropriate.

In 2008, a SO on branding, generally similar to what is being proposed here, was considered but poorly supported by member associations. There was concern among member associations at that time that the suitable brand for an actuary might vary significantly due to the local environment, such as regulation and the maturity of markets in which the actuary operates. This point is conceded and this proposal states explicitly that the IAA would pursue this SO in conjunction with its member associations. The principle of subsidiarity would also ensure that no member association would be forced to use branding material promoted at the IAA level.

Consistency with Other SOs

The five existing SOs are included in the appendix to this paper and cover the following topics respectively:

1. Supranational relationships;
2. Knowledge expansion;
3. Education (or education, conduct and standards);
4. Geographic expansion; and
5. Discussion forum.

For shorthand reference this new SO is labelled 6. *Branding*. The shorthand terms are for convenient reference and are not intended to limit the scope of any of the strategic objectives.

This discussion paper does not address the sequence of the SOs, although if this SO is adopted, it may be a suitable time to reconsider the rankings, and branding may not rank last. One person suggested that branding perhaps should be the first SO.

Note that the current SO1 on supranational relationships involves working with other professions and organizations, and part of that objective is to inform more broadly about the profession. That implies some of the same communication and consistency as branding. There is some overlap, but no conflict with the concept of branding.

Costs of Branding

As with any proposal, cost is a consideration. Later in this paper we give examples of activities associated with branding by other actuarial organizations. While many of those activities involve external cost, here we propose an approach that would involve minimal cost. We do not recommend either an advertising budget or hiring a PR firm, two of the more expensive activities conducted elsewhere. Many IAA activities already support branding, as mentioned later in this paper. Those activities can continue with little change other than perhaps coordination. Over time, the activities and communications that we might do anyway, would be coordinated and go toward building a consistent brand for the actuarial profession. In developing a 5-year business plan for the IAA, the SPS has projected \$20,000 CAD per year for the first two years of the introduction of branding as an SO, decreasing by \$5,000 per year thereafter and maintaining at \$10,000 per year.

There would be little need anyway for the IAA to incur significant external cost. Consistent with the SO wording as proposed, and consistent with subsidiarity, the IAA would work in conjunction with local member associations to communicate the brand message.

Interaction with Other IAA Activities

The SPS recently mapped various activities of the IAA to each SO. This mapping was intended to verify that the committees and task forces are aligned with strategies of the organization, and that resources are allocated to relevant activities. A SO on branding would similarly need to be aligned with a number of IAA activities. It seems that there are several areas that would naturally complement a branding effort:

- Advice & Assistance Committee—there is likely a need for branding of the profession in new countries, as the profession spreads geographically.
- Supranational Relations Subcommittee of the EC—a strong brand would help in building relationships and respect for the profession with accountants, regulators and others.
- Role of the Actuary Task Force of the EC—a strong brand should help in expanding the work of the actuary with external constituencies.
- Communications Subcommittee of the EC—in future ideally all communications would be consistent with the brand and help directly or indirectly to build the profession’s image and reputation.
- IAA communications policy as executed by the Secretariat—news releases for example may contain consistent new branding information.
- Professionalism Committee and IASSC—more firmly establishing professional standards, especially in countries currently lacking standards.
- Other activities—ideally, almost all internal activities of the organization should be supportive of a consistent brand for the profession, member associations and its practitioners.

As indicated by the number of related activities, branding is already an implicit strategy of the IAA. This new recommended SO would make those activities explicit.

Other Organizations’ Activities

In North America, there have been several major initiatives launched at building a brand. In 2005, under the leadership of then SOA President Stephen Kellison and others, the Image Advisory Group (IAG) was formed. In a news release, the profession stated:

Two rounds of SOA-sponsored research have concluded that employers perceive actuaries as one-dimensional technicians, and they don't understand the full value of the actuarial skill set. A more dynamic and relevant image for the profession will set the stage for significant and measurable gains in opportunities for actuaries in both traditional (e.g., insurance, reinsurance, pensions, and consulting) and broader financial services sectors (e.g., banking, investment, mutual funds).

The IAG was intended to present the profession to the public as dynamic and relevant, to promote our strengths, and focus resources to reach out to audiences and influencers. It continues to meet currently and its focus now includes cooperation and collaboration among the five U.S.-

based associations, and its meeting agenda typically includes media relations, public communications (such as www.beanactuary.org)¹, and supporting joint research.

Each year, the SOA has a marketing and communication plan. The plan is well developed by the SOA staff and one good example of these activities is promotion of the CERA credential. This promotion is a multi-year campaign, funded by approximately \$1,300,000² in 2011. Beginning in 2007, the publicity campaign involved the following steps:

- A brochure;
- Dedicated website, with hits tracked;
- New features on existing website (for example, spokesperson videos);
- Google web search promotion;
- Market survey (members, employers);
- Public relations firm engaged;
- Media training for selected spokespersons;
- Advertisements in publications including *Risk Management*, *CFO Magazine*;
- Event sponsorships; and
- Interviews with the media.

Although the SOA carries branding to an advanced level, some of its less expensive aspects, such as a consistent look and feel to its various websites, including the consistent use of structure, typeface, font, wording, colors and layout, may be suitable for the IAA.

The US professions collectively promote the profession to candidates through their recently revised promotional website, <http://www.beanactuary.org/>.

Other professional organizations have also conducted explicit branding activity. The IFA in the UK is embarking on a brand communication program around ERM and the CERA credential. The accounting profession, despite being broadly known, have advertised in Canada to build their professional brand. Recently we've seen examples of brand advertising by the medical profession. .

Next Steps

This paper was discussed in draft form at the SPS meetings of January 9, 2012 and February 15, 2012. Based on those discussions, the following steps are recommended:

- Forward this discussion paper to the Executive Committee;
- Add this topic to the IAA 60-day Council agenda for discussion in Los Angeles;
- Submit to electronic vote of member associations following the meeting in Los Angeles;
- Allocate funds, if necessary;

¹ This particular website name could be misread; IAA should be cautious when adopting a slogan.

² Given the much smaller budget of the IAA, branding expenses would be kept to a much smaller number as indicated earlier.

- Consider whether a new subcommittee needs to be formed; and
- Consider drafting Terms of Reference (ToR), or assign responsibility to an existing subcommittee or committee and modify ToR accordingly. A new subcommittee would discuss and define the brand message(s) and help to coordinate related activities.

A report to Council on branding activity would be included in each consent agenda as part of EC report on the implementation of the IAA Strategic Plan.

Conclusion

Currently, most actuaries probably do not think of their credential, or their association, as having a brand, yet it clearly does to our external constituencies. Actually, “actuary” or “FSA” or other credentials *are* a brand, and are viewed as such externally. If we actuaries collectively are unaware of the perception of our brand we are less likely to take conscious steps to build and maintain it. The SPS suggests that the IAA should recognize this important issue explicitly with a new strategic objective.

Signed
Strategic Planning Subcommittee

IAA Strategic Plan

Vision Statement

The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole.

Mission Statement

The mission of the IAA, as the worldwide organization of actuarial associations, is:

- to represent the actuarial profession and promote its role, reputation and recognition in the international domain; and
- to promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs.

Values Statement

The IAA adheres to the values of integrity, accountability, transparency, and objectivity when dealing with Member Associations, other stakeholders and the public.

Strategic Objectives and Priorities/Action Plans

Strategic Objective 1

Identify, establish, and maintain relationships with key supranational audiences and provide them with actuarial input to improve the soundness of decisions being made on important issues with a global impact.

Priorities/Action Plans

1. Identify and prioritize relevant supranational organizations with whom to establish and maintain key relationships.
2. Bring key relationship bodies into contact with the relevant actuarial groups.
3. Build and maintain key relationships.

Strategic Objective 2

Facilitate the use and expansion of the scientific knowledge and skills of the actuarial profession, including beyond the traditional areas of actuarial practice, to help enhance the scope, availability, and quality of actuarial services offered by individual members of its member associations.

Priorities/Action Plans

1. Identify and prioritize fields of practice and develop a program to support each area.
2. Create strong links with non-actuarial international organizations in “wider fields”. (links to Strategic Objective 1)
3. Promote the development of actuarial practice in Enterprise Risk Management, including the development of a global designation/credential.

Strategic Objective 3

Establish, maintain and promote common standards of actuarial education, common principles of professional conduct. Promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards.

Priorities/Action Plans

1. Periodically review basic education standards to ensure they remain up to date.
2. Develop a recommended set of voluntary continuing professional development (CPD) guidelines.
3. Achieve a common understanding of the principles of professionalism, including code of conduct and disciplinary procedures.
4. Develop model standards of practice.

Strategic Objective 4

Support the development, organization and promotion of the actuarial profession in areas of the world in which it is not present or is not fully developed.

Priorities/Action Plans

1. Help emerging and existing actuarial associations to develop.
2. Examine the feasibility of constructing and managing an International Actuarial Education Program.
3. Facilitate the access to information and experiences from other countries, especially for countries with a developing actuarial profession.

Strategic Objective 5

Provide a forum for discussion among actuaries and actuarial associations throughout the world.

Priorities/Action Plans

1. Encourage forums for actuaries to discuss global actuarial issues.
2. Encourage discussions between association Presidents.
3. Encourage not only worldwide, but also regional contact and cooperation among member associations.

Adopted 4 November 2008; Last Revised March 15, 2011