

FOUNDATIONAL DOCUMENT

MARCH 15, 2006

*Actuaries*

The Best-Kept Secret in Business™

# BRAND PROMISE FOR THE NORTH AMERICAN ACTUARIAL PROFESSION

## FOUNDATIONAL DOCUMENT EXECUTIVE SUMMARY

**WHAT IS A BRAND?** A brand is a valued promise that a product or a service makes to its most important external and internal audiences—we call this a “brand promise.” External audiences view the brand as the best and sometimes the only solution to a problem they have. Internal audiences must believe that the brand promise is worthy of their commitment. And, all audiences must understand the brand and view it as important, credible and distinctive. Branding is more than a logo or an advertising campaign, it’s a promise. Branding becomes the direction for actions as well as messages; the basis for decision-making; the context for what is said and tone in which it is said; the visual identity that is etched in the minds of key stakeholders.

**HOW DO WE CREATE A BRAND?** SOA has applied a proven branding model to understand, describe, and articulate the North American actuarial profession’s strengths and develop a compelling brand promise. The result will be a common brand focus and direction for the profession, and the ability to manage the brand’s growth and evolution. Companies like Apple, Intel, Microsoft, and Starbucks and a host of non-profits have successfully applied this branding model to their products and services. The building blocks for branding are a set of elements that act as drivers, aligning actuaries, actuarial organizations and their respective employees’ actions to create a unique customer experience and a consistent and compelling brand.

**WHERE ARE WE IN THE PROCESS?** The brand program as described in the attached document is a foundational component of the Market and Market Development Plan. The purpose of the program is to help the profession distinguish and differentiate the actuaries from other solution providers in order to enhance the image of the actuaries in traditional markets (insurance and benefits) and support business development in the broader financial

services market. This program will create a new framework to help decision makers/influencers in these markets understand what is distinctive, valuable, and memorable about the profession. The new brand will then be integrated it into the “DNA” of the profession’s programs, products, services, and communications—internally and externally.

**WHAT ARE THE FINDINGS TO-DATE?** The SOA engaged a broad-range of volunteers representing various areas of practice, organizational affiliations, and demographics in the initial validation of the brand promise (see Page 3) and sought broader validation, input, and buy-in from the profession through the Image Advisory Group (representing each North American actuarial organization) and the SOA’s Market Relevance Strategic Action Team. This brand promise will form the foundation for development of the next program deliverable, the “brand strategy.” Staff delivered a brief presentation at the SOA Board meeting on March 10 highlighting the brand development process, key elements of the brand promise, and how our branding program incorporates practices employed by powerful brands such as Starbucks and Nike.

**WHAT ARE THE NEXT STEPS?** The SOA and key North American actuarial organizations will execute the Brand Program component of the Marketing and Market Development Plan in three phases: Phase I (Q1 2006) is the articulation of a compelling brand promise that positions actuaries as the best solution to a business problem; Phase II (Q2 2006) is the development of a brand strategy that will communicate the brand promise and create measurable improvements in brand awareness; and Phase III (Q4 2006) is the implementation of the brand strategy by North American actuarial organizations.

# Identifying a Brand Promise

*for the North American Actuarial Profession*

## THE ICEBERG

The iceberg helps illustrate the actuary brand promise. The brand promise is the 10 percent of the iceberg that is visible or above the water line. The execution and delivery of the promise is the 90 percent of the iceberg that is under the water or out of sight. Brand elements such as the *Actuaries™* logo, *Best-Kept Secret in Business™* tagline, *Turn Risk into Opportunity™* campaign theme and strong red and black colors represent only a small portion of our brand experience—the external part—which is highly visible. Much more of our brand lies below the surface and is not as easily recognizable, such as the brand tools mission, values, story, principle, positioning and personality. These elements support the brand and serve to connect actuaries to the brand through their personal and professional lives.



Mention branding and most people think of products such as Coca-Cola, McDonald's or Nike, but the same principle can be applied to branding a profession, like actuaries, where there is increasing competition from MBAs, CFAs, accountants and others. But what is our brand and how do we build it? It all begins with a promise.

The purpose of this summary is to report findings to the Image Advisory Group and the Marketplace Relevance Strategic Action Team on recently conducted interviews with representatives from markets identified in the SOA Marketing and Market Development Plan, approved by the SOA Board in June 2005. These interviews were designed to capture the essence of a unified brand promise for the actuarial profession that is consistent with the results of the SOA employer and member research.

### **Opportunity at Risk**

Competition is intensifying. The changing business environment presents actuaries with new opportunities to expand into the broader financial services market and become more influential within traditional settings. But the path is not clear.

According to SOA's research, actuaries are encountering strong competition from MBAs, CFAs, accountants, economists, financial engineers and others particularly in risk management roles within the broader financial services market.



*For more than a century, the actuary brand (for those who are familiar with it) has been closely identified with the insurance and pension markets. The brand is less associated with the broader financial services market. Actuaries have worked for insurance companies and pension funds or plan sponsors, applying their rigorous training, complex problem solving abilities, quantitative modeling skills, along with deep industry knowledge and high professional standards to help management achieve financial objectives within a given set of risk tolerances and constraints. In many cases actuaries helped management to better understand and set those boundaries.*

# Brand Promise



*Today, the actuary brand has grown to mean much more. While it is true that the majority of actuaries specialize in insurance (casualty, health and life) and pensions, many actuaries focus their skills on finance, investments and risk management practice. Although the brand still incorporates the profession's rich heritage of rigorous training and high integrity, the changing business environment is presenting actuaries with opportunities to redefine their brand promise and achieve greater visibility and influence.*

In 2006, the SOA along with key North American actuarial organizations launched a three-year Marketing & Market Development Plan designed to proactively promote actuaries' skills and encourage further development of business and communication skills. With this in mind the desired outcome of the Marketing and Market Development Plan is to: (1) position actuaries as primary leaders and decision makers with traditional employers (insurance, reinsurance and consulting), and (2) establish an initial footprint for actuaries in the broader financial services industry.

The actuary brand promise needs to build on the findings of employer and member research. The challenge is to create a "brand promise" that helps stakeholders understand the benefit of leveraging the actuarial skills, experiences, values and unique knowledge to a higher purpose. To determine the brand promise, we must identify how the brand differentiates itself from the competition and determine the profession's positioning platform.

## Building a Brand

Branding is more than a logo or an advertising campaign, it's a promise. Branding becomes the direction for actions as well as messages; the basis for decision-making; the context for what is said and the tone in which it is said; the visual identity that is imprinted in the minds of your stakeholders. To build on the profession's strengths and develop a compelling brand promise, the SOA applied an integrated branding model<sup>1</sup>: a comprehensive yet practical tool for organizations seeking competitive advantage, differentiation and brand loyalty. Integrated branding creates a common focus and direction, and enables an organization to understand and manage its growth and evolution. Companies like Apple, Intel, Microsoft and Starbucks have successfully applied the integrated branding model to their products and services.

<sup>1</sup> This approach was developed by Joseph LePla and Lynn Parker of Parker LePla, an integrated brand strategy firm based in Seattle, WA.

## ...Integrated Branding

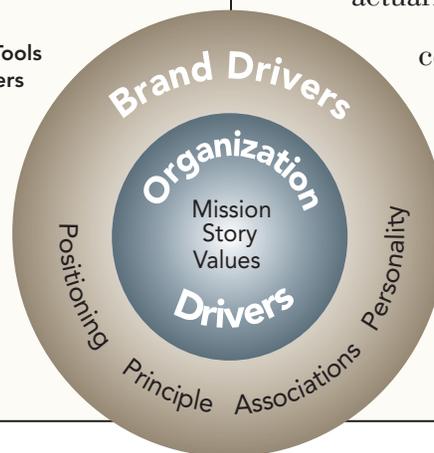
The building blocks for integrated branding are a set of brand tools that act as drivers, aligning each of the actuarial organizations and their respective employees' actions to create a unique customer experience. These tools allow the organizations and members to simply, flexibly and comprehensively act on the brand promise.

This approach will help the SOA and other key North American actuarial organizations consistently reveal and reinforce these brand tools—key drivers such as the profession's mission, values, story, principle, positioning, personality and associations—with clarity through our respective organizations' practices. The first step is to validate the employer, member and candidate research on current brand perceptions. This is accomplished through a series of critical conversations with key target audiences. The data gathered will guide us in the development of the actuary brand promise and, once created, will help shape the profession-wide branding initiative.

### Validating the Brand Tools

The objective of these critical conversations is to validate and articulate brand perceptions identified in SOA employer and member research. Data was collected via interviews with representatives of key

Brand Tools  
as Drivers



North American actuarial organizations and face-to-face/conference calls with a sampling of actuaries, candidates, academics, employers and executive recruiters from across the country and Canada. The validation phase was initiated in January 2006. Spearheading this project was SOA Brand Program Manager, Susie Ayala.

The composition of the group included a blend of: entry, mid and senior level actuaries; actuaries working in benefits (pensions and health), life and finance; actuaries with other credentials such as ASA, ACAS, EA, FCA, FCIA, FSA, HONFIA and MAAA; MBAs, PhDs and CFAs; candidates of the CAS and SOA; actuaries who are also employers; academics and executive recruiters. The group included a mix of males, females, various age groups and ethnic backgrounds.

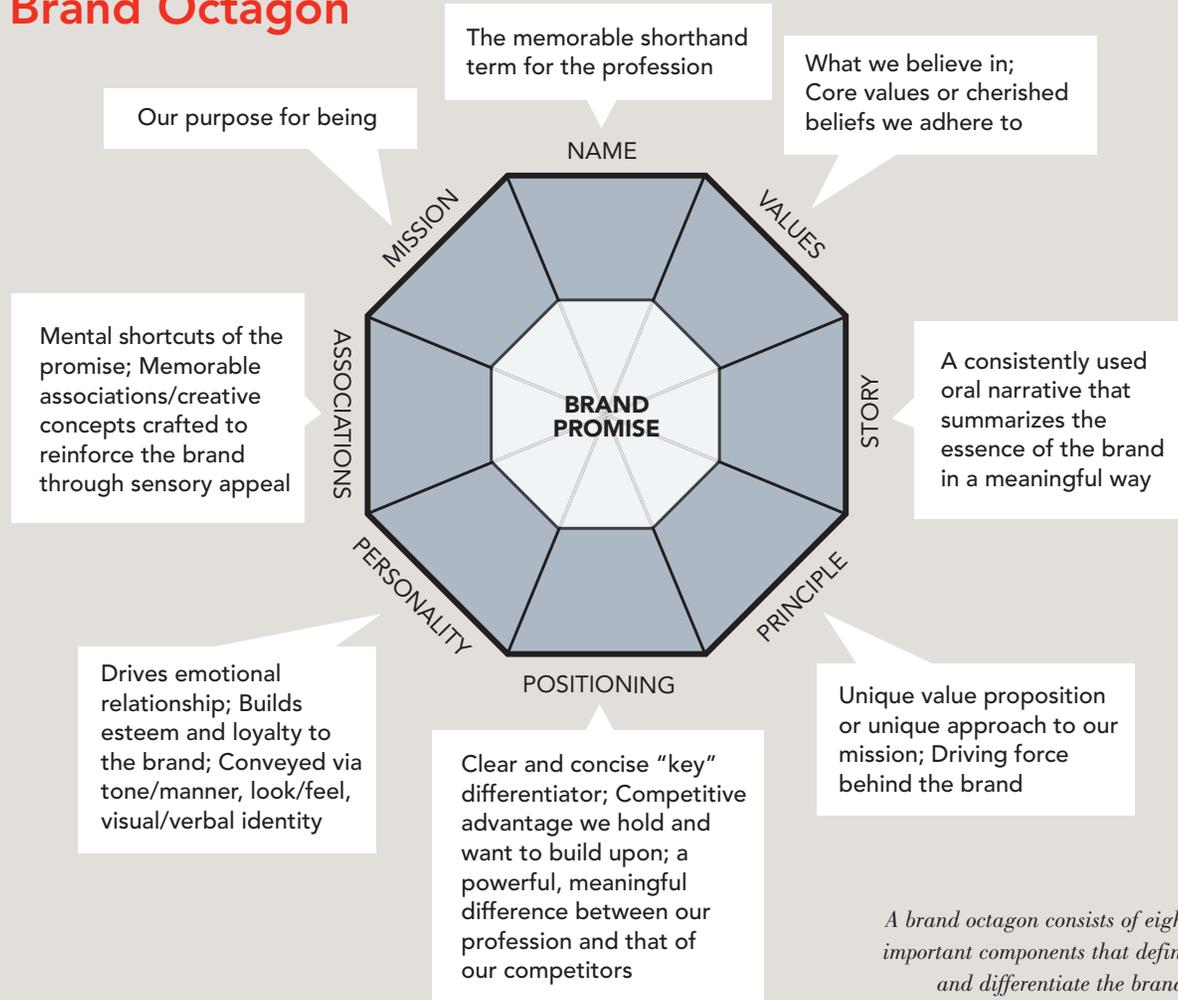
Before we could apply an integrated branding model, we needed to ask a few basic questions: What does the actuary brand stand for? What is the foundation of the actuary brand? What characterizes actuaries as a profession? How do actuaries want to be perceived and what do they want their profession's brand

promise to say to target audiences, especially employers, clients and prospective students? And, what perceptions must the profession overcome to become a real player in the broader financial services market?

# Brand

*The brand promise should matter to both internal and external audiences, create relevance and be inspirational. The promise should be truthful and sustainable in order for the brand to be valued and preferred in the minds of the audience. The brand promise consists of key brand tools that are consistent and actionable. Taken together, the brand tools build respect and loyalty to the brand.*

## Brand Octagon



*A brand octagon consists of eight important components that define and differentiate the brand.*

A brand is a valued promise that a product or a service makes to its most important external and internal audiences. External audiences view the brand as the best and sometimes the only solution to a problem they have. Internal audiences must believe that the brand promise is worthy of their commitment. And, all audiences must understand the brand and view it as important, credible and distinctive.

### CASE STUDY



FedEx's promise is highly reliable overnight delivery. When FedEx first set out to do business, delivery by 10:30 am the next day was its unique value proposition. The company's strategies and tactics were all driven by this one measurable promise. Today, it is an industry standard and that promise had to change due to FedEx's own success.

As the competition changes, so do promises. FedEx's new campaign tagline is "Relax, it's FedEx." FedEx still promises efficient overnight delivery service, and raises the stakes by also offering peace of mind and quality reassurance.

# 6

# Key Findings\*

Critical conversations with individuals representing key target audiences unveiled six key findings which together form the framework for the actuary brand promise.



## **Actuaries use deep knowledge of the dynamics of risk and its financial impact to create social and economic value.**

Actuaries use their skill sets to provide valuable contributions to financial economics and risk practice. During participant interviews, we heard that one of the constants in successful organizations today is that they have at their disposal access to highly trained professionals who are masters of their relevant domains. “Deep domain knowledge” implies that actuaries occupy this space; they can and should be trusted to lead decision makers through a maze of complex financial risk problems to arrive at more effective decisions. “Social and economic value” applies to their unique ability to create solutions not only to financial and business problems but societal issues as well.

\* These qualitative findings represent the in-depth opinions of a select group of participants. This qualitative research contains valuable insight and direction for the creation of a brand promise for the profession.



## Actuaries believe in five core values that collectively define their business and social ethics: Insight, Integrity, Creativity, Professionalism and Public Interest.

To be successful in their domain, we learned that actuaries have certain cherished beliefs that guide their behaviors professionally and socially. Collectively, they value:

### **Insight**

In the world of risk management, the rules of the game change so quickly that insight becomes currency. To be perceived as a key player, actuaries value the ability to anticipate risks before they are clearly known or articulated.

### **Integrity**

Already an important part of the profession's legacy, integrity suggests an honest, ethical approach to business, a commitment to the profession's code of conduct and a deep respect for the scientific truth.

### **Creativity**

As social structures and business environments change, out-of-the-box becomes a key differentiator. Actuaries value the ability to sustain a competitive advantage through fresh, creative approaches to problem solving.

### **Professionalism**

Actuaries have much to be proud of—risk expertise and problem solving skills—yet the most respected asset they value is professionalism.

### **Public Interest**

Actuaries have the capacity to influence the overarching social systems that drive the marketplace and ultimately impact people's most basic needs for security. Today, the ability to help employers build shareholder value while serving the public interest is a powerful and unique skill set.



### Actuaries are integral to the success of the enterprise, applying rigorous training, high professional standards and a deep understanding of the relationship between risk and opportunity.

Target audiences repeatedly told us that rigorous training and professionalism are what the actuary brand stands for. Other professions can legitimately claim strong analytical skills and risk expertise, but only actuaries can claim a rich heritage rooted in the highest professional standards and the most diffi-

cult professional exams in the world. This is the consistently used oral narrative that summarizes the essence of the brand. It's what the brand stands for, what employers and clients demand and what competitors wish they could claim.



### Actuaries possess the unique ability to anticipate, identify, quantify and optimize risk to bring about creative solutions to complex financial challenges facing business and society.

We heard that actuaries' unique value proposition is their understanding of the relationship between risk and reward coupled with their ability to implement creative solutions that help key stakeholders achieve their financial objectives. The combination of thought leadership and implementation is the driving force behind the brand.



#### LESSONS LEARNED

Because the brand promise must be truthful and sustainable, the current brand promise does not reference strong "communication skills and business acumen." The brand promise can evolve to include these essential attributes.

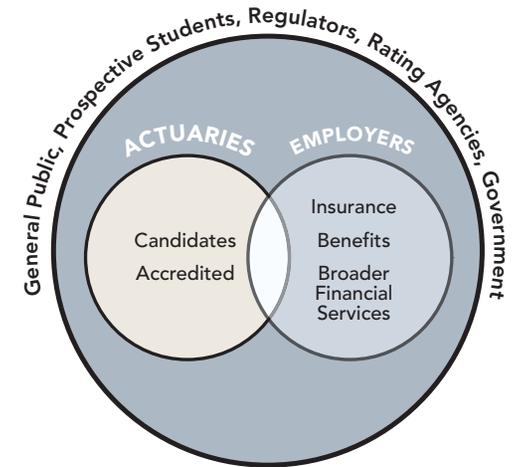


**Actuaries bring a comprehensive approach to problem solving that combines excellent analytical skills, deep risk expertise and an unwavering commitment to professional standards.**

When it comes to a clear and concise “key” differentiator for the profession, target audiences said it’s the actuaries’ comprehensive approach to risk. While others have equally strong analytical skills and a degree of risk expertise, only actuaries have a competitive arsenal that includes a much needed and highly valued attribute in organizations today: an unwavering commitment to the highest professional standards. This is the competitive advantage actuaries can claim and build upon.

## OUR TARGET AUDIENCE

Our primary audiences are actuaries and employers, while still keeping in mind the general public, prospective students, regulators, rating agencies and government.



**The actuary brand possesses human-like characteristics that make it distinct and special. Actuaries are ethical, intelligent, unbiased, creative and inquisitive people.**

The actuary is an ethical, intelligent, unbiased and inquisitive male or female. He or she is creative, communicative and motivated by challenge. He or she has a strong analytical background, enjoys debates and complex ideas and is undaunted by rigorous training. He or she is well-rounded, public-minded and has a strong work ethic. As a practitioner, he or she is accomplished and well respected. As a person, he or she enjoys art, music, literature and puzzles.

This description is in contrast to the actuary stereotype which is commonly described as “a backroom technician.” The actuary brand personality is more dynamic, more business savvy and more likely to have left the backroom for a seat in the conference room or boardroom. These personality traits help drive emotional relationships and build esteem and loyalty to the brand. They are conveyed via tone and manner, look and feel, and visual and verbal identity.

# Brand *Promise*

FOR THE NORTH AMERICAN  
ACTUARIAL PROFESSION

**Mission:** In a world of uncertainty, actuaries provide a deep, comprehensive and practical understanding of the dynamics of risk and its financial impact to create social and economic value.

---

**Values:** Insight, Creativity, Integrity, Professionalism and Public Interest.

---

**Story:** Actuaries are integral to the success of the enterprise, applying rigorous training, high professional standards and a deep understanding of the relationship between risk and opportunity.

---

**Principle:** Actuaries possess the unique ability to anticipate, identify, quantify and manage risk to bring about creative solutions to complex financial challenges facing business and society.

---

**Positioning:** Actuaries bring a comprehensive approach to problem solving that combines exceptional analytical skills, risk expertise and an unwavering commitment to professional standards.

---

**Personality:** Ethical, Intelligent, Unbiased, Creative and Inquisitive.

**Associations:**

*These creative concepts are to be determined as the brand evolves and new opportunities arrive for translating our brand promise.*

**Actuaries**  
The Best-Kept Secret in Business™

# In Their Own Words

The brand promise interviews revealed a myriad of thoughts and opinions. Participants were eager to participate in this important dialogue and reinforced that anything less than a unified organizational approach to the brand initiative would increase the potential for confusion around the brand in the minds of target markets.

Many participants encouraged us not to lose sight of the profession's rich legacy and how it has withstood the test of time. We were encouraged to seek out "heroes" for the profession and showcase their contributions as part of the profession's story.

And lastly, we were reminded that this effort is long overdue but, nevertheless, appreciated. Here are a few of the memorable quotes from our conversations which sparked a number of "signature stories" illustrated here.

## Insight

*"We look at risk through a unique prism"*

*"We peel off layers to get to the core risk and build a framework around it."*

*"We provide expert advice and relevant solutions for financial, business and societal problems involving uncertain future events."*

*"We have the analytical skills of a statistician and the business acumen of an MBA."*

*"We not only understand and calculate risk, we deliver risk solutions."*

*"We apply math creatively to solve business problems."*

*"We don't just provide solutions, we apply solutions."*

*"It's more than books and exams, it's about market knowledge."*

*"What sets us apart is that we are implementers."*

*"We see the whole picture."*

*"We react to fast-moving business environments."*

*"It's our training and professional standards that set us apart."*

## Training

## Creativity

*"We'll solve problems in ways you never thought possible."*

*"We don't take things at face value."*

*"We're the guardians of long-term promises"*

*"We're unbiased regardless of what's going on around us."*

*"Nobody owns us."*

*"We don't have a political agenda"*

*"Businesses can trust us, especially in today's context in the risk field."*

## Credibility

## Sustainability

*"It's not simply the intelligent who survive, it's those who adapt."*

*"As the economy changes, actuaries have new places to fill."*

# In Their Own Words

## Competition

*"We see further, deeper and more finely than other risk professions."*

*"What do you get when you add the strong analytical skills of a statistician with the industry knowledge and business acumen of an MBA? An actuary, of course."*

## Differentiation

*"Our standards are held up like no other profession."*

*"We base our findings on scientific truth, not political agendas."*

## Social Value

*"We have the capacity to solve societal problems."*

*"We have a social responsibility."*

## Rich Heritage

*"We have a solid base that has stood the test of time."*

*"We developed the insurance industry."*

*"Our profession is rich with history, yet we have no 'heroes'."*

## Awareness

*"We're 25 years late in developing a branding strategy for the profession."*

*"Employers don't know that our training is equivalent or better than that of MBAs and PhDs."*

# Signature Stories

*Words may "tell," but stories "sell." Many of the interviews with actuaries, candidates, employers, recruiters and academics revealed potential themes that are an essential part of the actuary brand legacy. Each theme contains the following elements: 1) a problem that exists, 2) an actuarial skill set or core value that links to the problem, and 3) a "signature story" which is unique to actuaries and serves to humanize the brand and unite the profession.*

### Think Risk. Think Actuaries.

The increasingly complex and fast changing business environment has landed risk management at the top of more and more C-suite agendas. Organizations are seeking risk management professionals to join their teams. Actuaries, with deep domain knowledge of the dynamics of risk, are finding new opportunities to create social and economic value.

### Picture a World ...

What if the skill sets and core values actuaries possess were sought for an increasingly diverse set of challenges in new markets? Regardless of the industry, organizations have begun to realize the importance of what actuaries offer in terms of anticipating, identifying, quantifying and managing risks. If you haven't discussed risk with an actuary, perhaps you should.

# Signature Stories

## **Guardian of the Long-Term Promise**

Think of the countries with the most secure insurance systems—United States, Canada, Japan and Australia—is it any wonder that these countries have benefits that were prefunded through the foresight of actuaries?

## **What You Never Imagined**

What do you get when you simultaneously apply a creative and analytical perspective to some of the world's most complex financial problems? A solution you never thought possible.

## **The Gold Standard**

Actuaries are professionals who have been rigorously tested and trained to anticipate, identify, quantify and manage risk. We undergo the most difficult professional exams in the world. No other profession demands as rigorous a qualification process (up to 10 years or more after university). Pass percentages are low due to the need to ensure highest standards for entry into the profession. We cover much of the materials required to become a CFA, FRM and PRM at a far more rigorous and higher cognitive skill level.

## **Keepers of the Public Trust**

Actuaries have the unique ability to solve complex and challenging financial problems that are beyond the comprehension of other professions. Our influence extends to regulators, rating agencies and the general public.

## **The Coveted Actuarial Credential**

Continually ranked the #1 or #2 job in the country, actuaries are distinguished by the most rigorous training of all professions. Ours is a self-selection process that begins with the first exam.

## **Post-Enron**

With risk management front and center at most companies, and businesses trying to distance themselves from even the appearance of impropriety, it's good to have an actuary embedded in your inner circle.

## **Unbiased**

Nobody owns us. We stand for the right decision even if it's the unpopular one. We don't have a political agenda. Our approach is 100% unfiltered.

## **A Highly Adaptive Species**

We're not just about insurance, health and pensions. We're emerging into new markets such as ERM. Partnering with business leaders, we take the time to understand the dynamics of risk and reward. As the strategic objectives of organizations evolve over time, we adapt to these changing needs with flexibility and clarity.

## **Well Rounded**

You know us for our left brain. But it's our right brain—as demonstrated by our love of music, art and literature—that allows us to look at risk through a unique prism, offering the most creative approach to risk.

# Next Steps

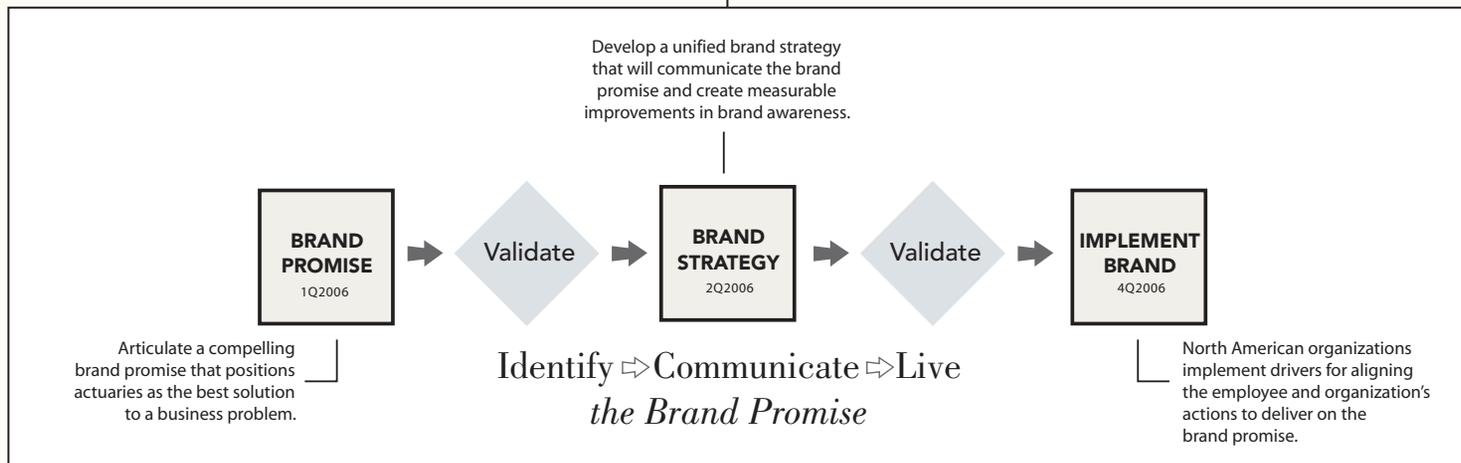
## One Brand, One Voice

Emerging from the brand promise validation phase of the Marketing & Market Development Plan, is a clear sense of direction about what our key audiences know and believe to be true about actuaries. This direction will guide a variety of initiatives ranging from grassroots programs to an online presence (e.g. Web); from public relations to marketing. The content of these critical conversations will serve a twofold purpose: 1) to build the “lore” of the actuary brand, and 2) to facilitate a unified voice to all publics with a stake in the profession. Accordingly, endorsement by key North American actuarial organizations of the brand promise is critical to success.

Working in concert with the other key North American actuarial organizations, we enter the second phase of the branding process: the development of a comprehensive integrated branding strategy for the profession. The brand strategy will use the brand promise to identify and structure product and service lines or “touch points” that reinforce the brand promise. The brand strategy phase will not only help actuaries become true brand ambassadors, it will serve as a powerful catalyst to rally the currently fragmented North American actuarial organizations around the concept of becoming effective brand stewards under a “one brand, one voice” for the profession.

In closing, we wish to acknowledge the dozens of members from the North American actuarial organizations and nonmembers from around the country and Canada who shared with us their candid moments of truth as they relate to the actuary brand experience.

### 3-STEP PROCESS



For more information on what the brand promise means for your organization, contact Susie Ayala at [sayala@soa.org](mailto:sayala@soa.org) or (847) 706-3573.