



Institute of Actuaries of Australia

Strategy & Finances Survey Part I - Association Strategies

Greg Martin

President

Institute of Actuaries of Australia

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Agenda

- **Overview of Survey**
 - Purpose
 - Responses
 - Overall Actuarial Profile
- **Part I: Association Strategies (Greg Martin)**
 - Results
 - Observations
- **Part II: Finances Survey (Thomas Behar)**



Firstly.....Thank you!

- A big thank you to all the Associations (and actuaries) that responded
 - Especially the volunteer actuaries from the smaller Associations; and
 - Especially those that translated details into English
- Disclaimer: Interpretation and paraphrasing is mine only...



Overview of Survey - Purpose

- Information of considerable interest to Presidents in general:
 - Enhance understanding of respective focus areas and issues
 - Identify and highlight common issues and goals
 - Share ideas on strategic approaches to common goals
- Input to considering the overall profession's strategic direction
 - Input to the IAA leadership in terms of helping it with the next stage of the IAA strategy implementation
- Realistic resources actually available to pursue or consider future potential strategies and/or action
- Input to issues being discussed later on the PF agenda, e.g.:
 - Role of the actuary
 - Global risk issues



Survey Responses

- Survey sent to 60 Full Member Associations
- 23 responses received covering 24 Associations (UK provided a combined response for IoA and FoA):
 - FQA's: 36,500
 - Associates: 14,500
 - Students (approx): 30,000
 - Other members: 1,000
 - Total: 82,000
- Also used some data from previous IAA Survey:
 - A further 26 Associations' data
 - A further 4,400 FQA's (18,000 total members)



Actuarial Numbers

	Assoc's	FQA's (Reported)	FQA's (Actual*)	Associates (Reported)	Students (Reported)
PF Survey Responses	24	36,660	32,300	14,532	29,046
Previous IAA Survey	26	4,370	3,300	760	6,354
Other Associations	10	20,952	4,700		
Total	60	61,982	40,300	15,292	35,400
PF Survey Coverage %	40%		80%		
PF + IAA Survey %	83%		88%		

* Estimate of duplicates removed.

Numbers not available

First Line: Mission, Vision, Strategy coverage.

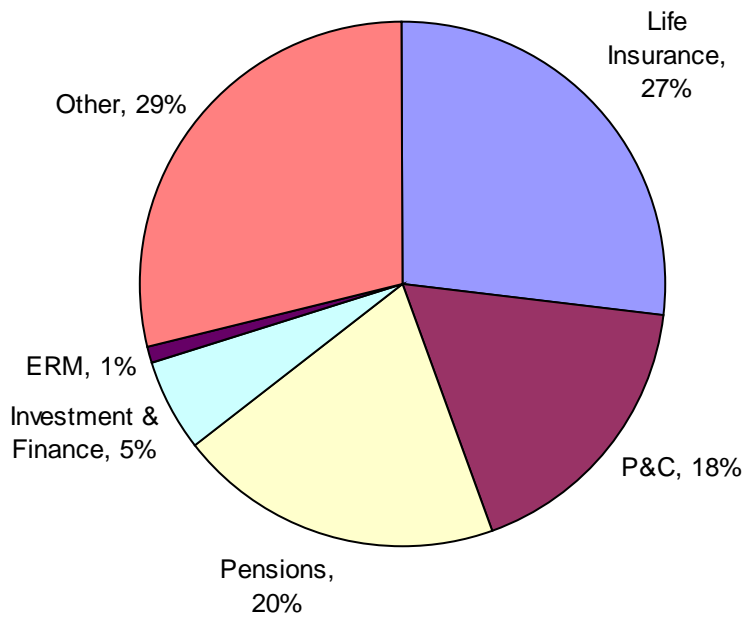
First + Second Lines: Financial analysis coverage.

Above covers IAA Full Member Associations only.

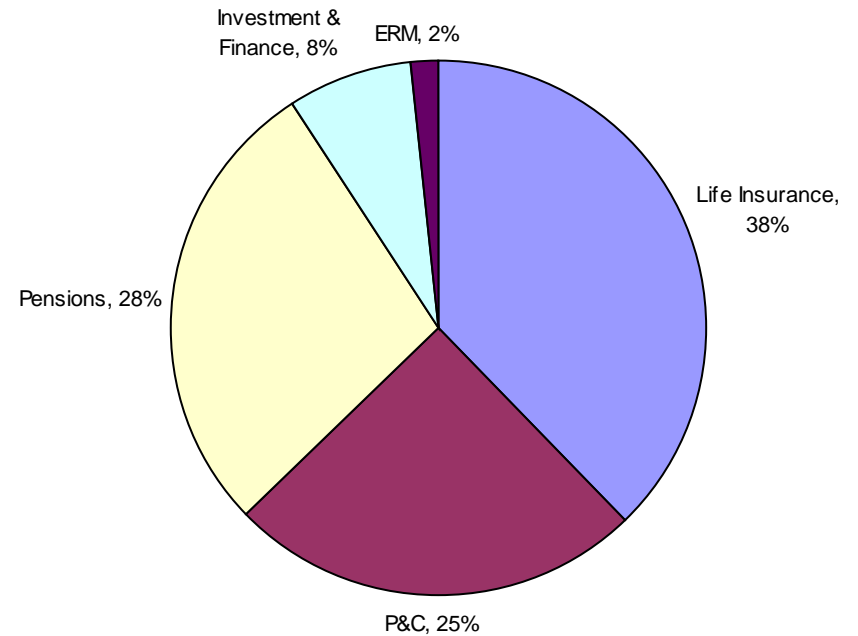


FQA Work Areas

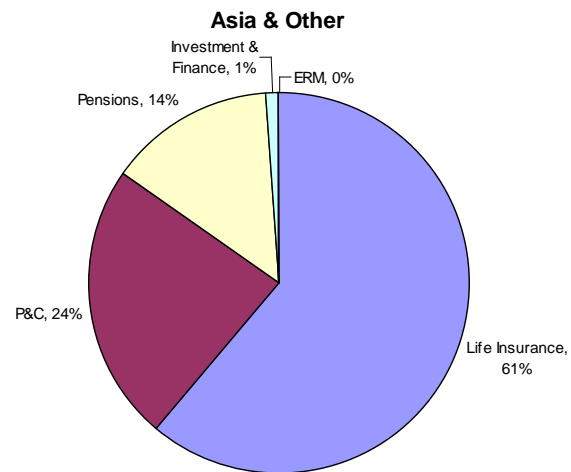
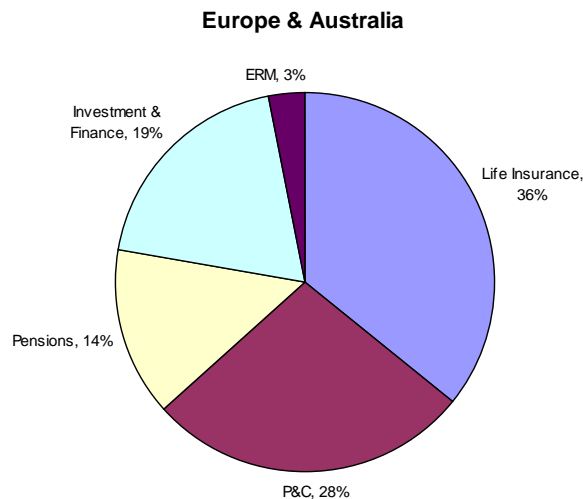
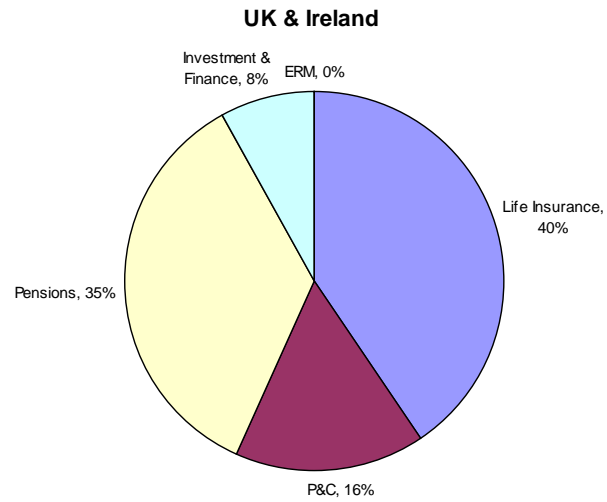
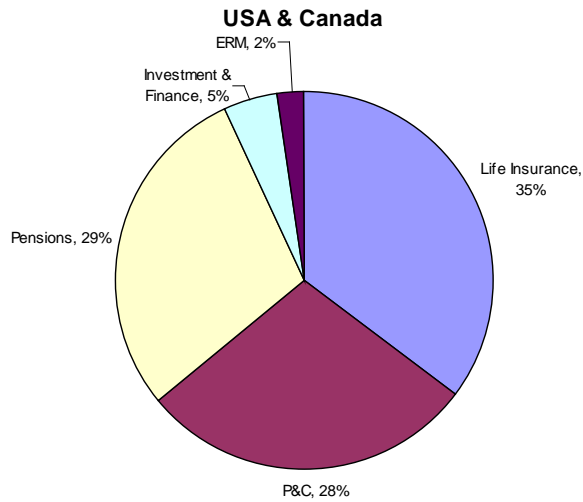
Global FQA Profile



Global FQA Profile ex Other



Groups by Similar Profiles



Question 1: Mission

- Of 23 responding surveys:
 - 20 indicated a formal Mission Statement or significant statement of objectives
 - 16 statements/lists of (translated) details
- Almost universal missions/objectives:
 - Research, actuarial science development: 13
 - Promoting use of actuaries, “brand”: 13
 - CPD/competence support: 13



Question 1: Mission (cont)

- Common references include:
 - FQA education/qualification: 10
 - Educating Association had this. Others less so.
 - Professional standards: 11
 - Contributing to public debate, etc: 9
- Some less common references:
 - (Explicitly) Serving members: 2 (!)
 - Role in “recruitment” into actuarial: 3
 - Providing practice guidance (versus standards): 1

[above scores indicative only]



Question 1: Mission (cont)

Area	Paraphrased (Inferred) Objectives	Number
FQA Education	Provide basic education in the fundamentals of actuarial science.	1
	Provide (promote, support) FQA professional education / education routes.	8
	Establish / maintain / support achieving standards of FQA qualification.	2
CPD	Provide (support) professional development & CPE.	9
	Provide meetings, seminars and other forums for discussion.	5
	Promotes enhancement of actuarial knowledge and ability of actuaries.	4
R&D	Promote (publish) research and development of actuarial science.	13
	Conduct research into experience and into public policy matters.	2
Professional Standards	Promote high professional standards / competence / ethics / quality (not licensing).	5
	Provide & enforce professional standards & licences.	6
	Provide practice guidance.	1
Promotion & Growth	Recruiting & attracting people to be actuaries / promote diversity in profession.	3
	Promote awareness & use of actuaries / actuarial science / "brand".	13
	Actively support development of the global actuarial profession.	8
Support Public	Contribute to public discussion on community issues and increase influence.	7
	Serve the public interest.	2
Services	Provide valued member services / protect member rights.	2



Question 1: Mission (cont)

- Overall, very significant commonality of focus:
 - R&D
 - CPD
 - “Brand” & promotion of role
 - FQA Education
 - Professional standards
 - Public interest / support
- Perhaps not surprising...but good to see!



Question 1: Mission (cont)

A number of Associations also have a Mission “one-liner”:

- To support our members throughout their careers to have the skills, attributes and knowledge to meet the financial sector needs for quantitative risk professionals.
- To be dedicated to serving the public and our members.
- To encourage and develop actuarial science and application and the skills of actuaries.
- To improve the ability of actuaries to contribute to the sound development of business.
- Leading consultant actuaries to collectively advance actuarial practice.



Question 1: Mission (cont)

- To represent the actuarial profession and maintain, create and expand an environment where the skills of actuaries are widely used and valued.
- To ensure the relevance and enhance the role and reputation of the profession.
- To develop the role and standing of the actuarial profession and enhance its reputation, in particular for serving the public interest.
- To serve the public interest, promote actuarial science, nurture actuaries, promote international exchange with actuaries and the sound development of the profession.
- To advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business and societal problems involving uncertain future events.



Question 2: Vision

- Of 23 responses:
 - 6 have a Vision related to the profession
 - 2 has a Vision related to the Association
- Profession Visions:
 - Actuaries are recognised as the leading professionals in the modelling and management of financial risk and contingent events.
 - Whenever there is uncertainty as to future financial outcomes, actuaries will sought for their valued advice and authoritative comment.
 - Actuaries are recognised and respected as specialists in the area of financial markets.



Question 2: Vision (cont)

- Profession Visions (cont):
 - Actuaries are recognised by society as professionals that contribute to public interest through analysis and solving problems concerned with financial risk, uncertainty and contingent events.
 - Actuaries are widely recognised as the profession that enhances the long term financial security of individuals and institutions.
- Association Vision:
 - Association is recognised globally as a leading resource in educating actuaries and conducting research in actuarial science.
 - Advancing the practice.



Question 2: Vision (cont)

- Observations:
 - Common focus on helping with risk, uncertainty or contingencies.
 - Arguably generally a bit “complex” for communication to wider public?
 - Would a school child understand / be attracted?
 - Do they say what we do? What is the outcome? Tendency to “input” focus.



Question 3: Strategy

- Of the 23 responses:
 - 13 indicated they have a formal Association Strategic Plan
 - 6 are on a 1 year review cycle
 - 7 are on cycles of 3-5 years (4 years mostly)
 - Another 8 indicated they have some other agreed list of actions, plans
 - 19 gave input on “top 5 focus areas” and “2 biggest challenges”



Question 3: Strategy (cont)

Key strategic focus areas (out of 19):

Provision of CPD, networking, technical skills, seminars	16
Promoting brand, profession's profile, influencing government/regulators	14
Member engagement & services, career support/change, information access	12
Professional standards, quality, ethics maintenance/improvement	7
Expansion of role of actuaries, ERM, actuarial numbers	6
International profession engagement, support	6
Enhancing/development actuarial education. Educator/examiner engagement.	6
Association governance, transparency, efficiency	5
Encouraging research, publications	3
Enhance/develop strategic alliances	1
Enhance diversity of members within profession	1



Question 3: Strategy (cont)

- CPD, Promoting Brand, Member Engagement
 - Almost universal focus
 - Note: member services low on Missions?
- Research lower on strategy, high on Mission
 - So Associations feel they doing OK here???
- Middle scores (education, international, ERM, growth) are clearly important:
 - Probably more than score indicates
 - But some comfort with performance versus importance?
- Association infrastructure/internal operations etc is a key for many (not just smaller Associations)



Question 3: Strategy (cont)

Key challenges/difficulties (out of 18):

Limited resources - volunteer time	11
Limited resources - employed resources, finances	5
Engaging with government, regulators. Being respected.	5
Attracting membership. Member responsiveness/engagement.	3
Members to embrace change, range of member views	2
Willingness of members to seek out new opportunities	1
Market competition from other disciplines (new areas)	1
Members understanding/embracing Association strategy	1
The future of defined benefit pension plans (and thus actuaries)	1
Co-ordinating with other associations in region	1
Current member depth of expertise	1



Question 3: Strategy (cont)

- A feeling of lack of resources (volunteer members & financial) is a recurrent theme for all (big and small)
 - Member engagement part of this
 - Members joining (smaller Associations especially) also part of this
- Profile and respect (government, regulators) indicated by many
 - Smaller Associations more
- Member resistance, conservatism, not “getting out of comfort zone” a bit of a common theme also:
 - Resistance to change
 - Not supporting strategy
 - Not seeking new opportunities
 - (Loss of defined benefit pension plans in here too?)



Question 3: Strategy (cont)

- Previous IAA survey of small-medium Associations
- Similar “hot button” challenges
 - Resource constraints (volunteers, finances)
 - Member engagement
 - Attracting members
 - Infrastructure (web sites etc)

