

Only connect...

This month's column is all about communication and I am not ashamed to use the opportunity to get on my soap box and voice my feelings on the communications paper.

Personally, I'd like to see an oral component to the exam but appreciate the obvious difficulties this would entail. Any written papers should also be marked to a more flexible, modern standard. Or the Invigilators should drag people in off the street at the end of the exam and force them to listen to our submissions – if Mr J Public understands my 450–500 words of wisdom then that should be good enough for the Institute!

This exam seems to divide opinion more than most and I would love to hear yours, especially now that it has changed so markedly. Special prize to whoever submits the most convincing argument for abolishing it completely!

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Have you heard the one about...?

Tristan Walker-Buckton discovers that it's the way you tell 'em.

If it enumerates, for brevity, that law of hazard which the origin water is a possibility of doing and the general use which it predicts four ranks it explains [4]

THIS WAS QUESTION 27 on April's economics paper. Before you all fire off a deluge of angry emails to your SCCs, I should add that it has been pounded beyond recognition by a translation program – English to English via Russian, French, and Greek. The moral of this story: things get lost in translation.

Laura Brown and Neil Wharmby raised this issue in their recent SIAS paper 'Mind the gap... and how to bridge it'. With the Morris review finding an understanding gap between actuaries and the users of their advice, they highlighted the importance of good communication skills, particularly in the younger members of the profession. This article contains just a handful of ideas from that lively discussion.

Very few actuaries work for selfish pleasure – all of us fulfil a consultancy role to some extent, and as such our clients pay us to attack questions that are beyond their ken. Are we really earning our keep if our answers are also beyond their understanding?

If I go to my GP with a mysterious rash I take it for granted that she/he has a much greater understanding of medicine than me and am not impressed by a half-hour presentation on how she/he arrived at the diagnosis – I want to know what condition I am suffering from and which pills I need to take to cure it. Similarly, our clients are after decisive advice which is clearly communicated. Laura and Neil neatly illustrated the frustration that some clients must feel with their fairytale of the Even-Handed Actuary.

The Even-Handed Actuary went to see the Elders of Trusteeland who had limited knowledge of complex finance but yet another significant decision to make. His advice was of a familiar form: 'Well... on the one hand you could do this but... on the other hand you could do that'. He came to a close and, all of a sudden, the Earl of Trusteeland chopped off his hand. 'Now', said the Earl, 'What does your one remaining hand suggest I do?'

This sort of advice does seem peculiarly confined to actuaries. Lawyers usually advise their clients to either plead innocent or guilty – not both! Of course, if their recommendations turn out to be ill-judged, they are safely out of reach of their clients who by now are in prison. And therein lies the problem.

All of our work features uncertainties and the threat of litigation prevents us from giving truly straight answers. But this makes communication with our clients even more important in this post-Morris world. We now have a PR job to do as a profession and communicating the work that we do in a clear manner improves our image and demonstrates our usefulness. We need to climb down from our ivory towers and truly engage with our clients. If using less traditional means of communication helps

them to understand us then so be it – there are all sorts of ways to tell our 'stories'.

For instance, the difference between investing in equities and bonds can be illustrated in terms that any commuter would understand. Equities are like the M25 – on average it's the fastest way to get to where you want to be but you also run the risk of sitting still for long periods of time. Whereas bonds are like B-roads – you're taking the slow way round but your arrival time is known with much more certainty.

Doctors use similar methods to give patients an understanding of their ailments, so why not actuaries? Perhaps it is time for a more flexible approach to communication than is set out in the guidance notes, where our advice can get buried under caveats. Or perhaps we require a two-pronged approach – with the technical detail in a report prepared to the profession's standards, freeing time in presentations for a more personal approach to aid understanding.

As students, of course, before we can concern ourselves with such matters we need to pass the communications paper. Currently I think it is a little out of touch with reality. I would wager that many letters sent out by consultancies would not receive a pass were they produced in the exam hall. Which is similar to when Charlie Chaplin lost a Chaplin lookalike contest.

The recent facelift the paper has had to encompass new and exciting forms of communication (like, erm, email) is I think, rather sweet. In the same way that my dad was rather sweet when he started listening to Britney Spears. I don't feel that scribbling half-a-dozen slides freehand on a piece of paper demonstrates an ability to put together and deliver an effective PowerPoint presentation.

Currently it feels like it is hastily tacked onto the other exams, but it represents ideas that will increasingly become more important than any of the technical skills we learn. Because poor delivery can kill the funniest joke. Just ask David Brent.

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