

ADDRESS BY THE PRESIDENT

IFoA Presidential Address: “Uncertainty, Culture and Imagination”

Tan Suee Chieh

Tan Suee Chieh, President of the IFoA, 18 June 2020
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Introduction

The Moderator (Ms Annette Spencer): Welcome to the 2020 Institute and Faculty of Actuaries (IFoA) Presidential Address, and for the first time we are holding this event entirely virtually. There are almost 1,200 of you registered from all around the world viewing us today. You are all most welcome.

My name is Annette Spencer and I am Director of Public Affairs and Research at the IFoA. I have the honour of introducing our new president today. Tan Suee Chieh graduated from the London School of Economics and then worked for Prudential for 20 years, first in London and then in Malaysia and Singapore. After that, he worked for 6 years in the world of psychology to pursue his interest and passion in this subject. He returned to insurance as CEO of NTUC Income and then the NTUC Enterprise Group as a whole. He was elected to the IFoA’s Council in 2017 and to the Presidential team as President-elect last year. Ladies and gentlemen, the new President of the Institute and Faculty of Actuaries.

The President (Mr Tan Suee Chieh, F.I.A.):

Strategy, Culture, Imagination

“I do not think that the profession has any besetting vices, but I sometimes think that perhaps it has besetting virtues. As a profession, we are apt to be accurate, cautious, consistent and reticent, and in these lies our strength; but if they do not leave enough room for impulse and imagination, they can be a weakness. The actuary who is only an actuary is not an actuary.”

Frank Mitchell Redington 1906–1984 (*JIA*, 1968, page 348)

Introduction – COVID-19 and Our Survival

I speak at a sombre moment as your new president. It is obvious; these are not normal times, as we manage our way through a global crisis unlike any other. I hope that you and your families are safe and well.

The COVID-19 crisis disrupted all our plans and took away what we did routinely only 4 months ago. Although we are not meeting in person today, in a surreal way, I feel more connected and closer to all of you. It took a virus to remind us poignantly that we are not only members of the IFoA, but, more importantly, members of one human race. And “Black Lives Matter” informs us how precarious our coherence is as one humanity.

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As a human race we are struggling with insecurity, complexity and uncertainty. The threats to our society are varied and growing. Our conventional operating assumptions have been shaken and challenged on many fronts.

The COVID-19 crisis brings the issues which confront the IFoA as an organisation and the relevance of the profession into sharp relief. It is a good time for us to reflect and question deeply what we stand for, and why we are here as actuaries. As a body, we must seek solutions to society's most pressing problems. We must chart a new path for our profession and for ourselves. Before I begin to chart that path, I will talk about who I am.

Background and Return to the Profession

I grew up in a small town called Semenyih in Malaysia. When I was a young boy, I heard from older friends about the skills and influence of actuaries. Years later, at the age of 15, my maths teacher, Mr Low Ti of Kajang High School, suggested that I might want to become an actuary.

As with many of you, this was how my journey to become an actuary began. I looked up to the then Institute of Actuaries as a beacon of thought leadership, the summit of professional and intellectual excellence and as a foolproof conduit to success in the commercial world.

I worked for Prudential Assurance for 20 years from 1981 to 2001 and lived in the UK for 10 years. Names like Frank Redington and Ronald Skerman – who were the illustrious chief actuaries of the Prudential and presidents of the Institute of Actuaries – rang through the actuarial corridors in Holborn Bar, where I interned. I would regularly walk across to visit Staple Inn, talking to people there, always browsing in the library and thumbing through the literature of the last 200 years. I was proud to be associated with the Institute of Actuaries. I was proud to be an actuary. I say all this because I want my newer British friends to know that I am no stranger to the IFoA's place in British financial history and to our proud professional and intellectual traditions, and to tell all of you, how dear all these traditions are to my heart.

I speak not only as your first Asian president, for which I will be eternally proud, but I also speak as an old friend who has come back to visit you, to remind you how breath-taking your influence has been, how well respected you have been by governments and businesses throughout the world and how you have inspired many generations of students in Asia and in Africa. To tell you in all sincerity, that I believe your best days are yet to come.

When I became the CEO of Prudential Singapore in 1994, my role became less actuarial. As a result, I channelled my professional energies elsewhere. It was only in 2017, some 23 years later, when I retired from executive life, that I started volunteering for the IFoA again. The achievements of the IFoA over those two decades, especially in Asia, and in my home countries Malaysia and Singapore, were outstanding. Our conferences were impressive and student numbers were high. I want to pay tribute to the work done by the leaders and executives of the IFoA over these two decades.

I campaigned successfully to join the Council in 2017. I was delighted to be elected, and to return to the heart of the profession I love. On my return, I found three things which concerned me:

Firstly, I saw that the voice and authority of the membership of the profession did not seem to be as strong as they had been before.

Secondly, the thought leadership and the influence of the profession in the UK have both declined significantly from my experience of 25 years ago.

Thirdly, the governance in the IFoA was not working well and this made it difficult for the Council to exercise its strategic and stewardship roles effectively.

Frankly, I was saddened by all these. This should not have happened, and we must not allow this to happen again. I was confident that something positive could come out of all these. That is why I decided to stand for the Presidency, to help lead this change.

With this as a backdrop, I would like to begin by discussing the elements which will enable us to change and reinvent ourselves to become a more responsive organisation and a more influential

voice in this rapidly changing and increasingly uncertain world. If we want to see change in the world today, we must have the courage to make a new beginning. I want to make a call to all of us to make a new beginning.

Culture of the Profession

I campaigned to be a Council member in 2017 and your president in 2019 on a platform of transformational change to enable the profession to thrive in a digital age. I believe this remains the IFoA's central task. The COVID-19 crisis offers us a burning platform to accelerate this change, to rethink how we want to operate the IFoA as a body, and how we want to educate and train our actuaries, and how we want to reposition the profession to have greater influence in the world.

At Council debates, I asserted that the reinvention of the profession would not happen if we did not transform the culture of the IFoA, because it is the Council who will have to execute our strategy. And the cultural transformation of the IFoA will not happen if the presidential Team and the Council do not offer the clarity of leadership, courage and humanity in setting out a clear agenda for action, and in reinventing our existing governance arrangements.

The empowerment of the Executive Team is a critical enabler of their ownership and in the execution of our strategy. We need significant changes in the governance of the IFoA to one which is simpler, smarter, less costly, more responsive, and working in service of our membership and our strategy.

Our current governance arrangements make it difficult to do anything quickly. The status quo does not work well in today's world. In many ways, the status quo reflects our nature as actuaries and the culture of the profession. We are too accurate, cautious, consistent, and reticent.

And let me tell you, culture matters. Culture matters deeply. In fact, in a world of transformational change, culture is the only thing that really matters. Our reinvention is really about the cultural transformation of the profession.

The traits and tendencies we have as actuaries are self-evident. We have many strengths, but as any psychologist will tell you, an over-developed strength is a weakness.

Firstly, we are cautious and reticent and that is important in many actuarial roles. But in many other areas we must be more courageous, dynamic and entrepreneurial.

Secondly, we love accuracy and consistency, but often, we are weighed down by it. We must learn to accept an imperfect answer and move on. Speed is often as important in decision-making as accuracy; often more so.

Thirdly, we often look to the past for guidance, but now, more than ever, we must look to the future for our inspiration.

Fourthly, we like to look inwards into our profession for solutions. However, we need to be more curious about the outside world and adopt a learning and growth mindset because this is how we will discover opportunities and solutions.

Ultimately, we have to be bolder in our imagination of what is possible.

These psychological and cultural characteristics were referred to time and again by presidents in their presidential addresses: Peter Clark in the year 2000 (Clark, 2001, page 3), Jeremy Goford in the year 2002 (Goford, 2003, page 4), and Nick Dumbreck in the year 2006 (Dumbreck, 2007, page 6). In his 2008 address to the Faculty of Actuaries, Ronnie Bowie said that "we are going to have to display a boldness and a spirit of enterprise for which we are not currently renowned." Otherwise, Bowie said, actuaries will enter into "a cycle of complacency, decline and, eventually, irrelevance." (Bowie, 2009, page 15)

It is one of our greatest Past presidents, Frank Redington, arguably the greatest actuary in the last 100 years who, on accepting his Gold Medal in 1968, said:

"I do not think that the profession has any besetting vices, but I sometimes think that perhaps it has besetting virtues. As a profession, we are apt to be accurate, cautious, consistent and

reticent, and in these lies our strength; but if they do not leave enough room for impulse and imagination, they can be a weakness. The actuary who is only an actuary is not an actuary.” (JIA, 1968, page 348)

These are powerful words from one of our greatest intellectual forefathers. Let us, in this generation, respond to his call. Let us create room and welcome the new values alongside the old ones. The actuary who is only an actuary is not an actuary.

COVID-19 Crisis: Uncertainty and Imagination

In the last fifteen minutes, I have spoken more openly and boldly than I would have done, had COVID-19 not happened. This is an opportunity for all of us to shape the future, not just respond to it. We must imagine what is possible for the IFoA, the profession, and for us, as actuaries. Recently, we have seen signs of change, which give me ground for hope. I give you two examples:

- (1) Bringing our exam-centre-based exams online in April successfully was a singular most impressive achievement of the Executive Team. I have not seen anything like it in the last 3 years I have been on Council. It shows what is possible if we have clarity of purpose, teamwork, motivation and a deadline. The Management Board took the necessary risks to support it. Pre-COVID-19, this idea would not have survived the scrutiny of the Management Board, let alone the Council. The exercise was completed within 2 months from the day the idea was first conceived. I applaud Stephen Mann and his Executive Team for achieving this. I strongly encourage the Management Board and Council to continue to give the Executive Team space, so that they can exercise ownership, initiative and deliver the strategy for the profession in a highly motivated fashion. This is what we need to do if the IFoA is to thrive in a digital age and in a future fraught with uncertainty and opportunity.
- (2) Recently, we have seen a new energy on our IFoA website, which is filled with topical webinars and curated content in the Pandemics Hub. The rapid set-up of the COVID-19 Action Taskforce – led by Louise Pryor and Colin Dutkiewicz – reflects the response to the needs of our time. In a few short weeks, the Taskforce has over 550 volunteers working on over 90 different workstreams – all reflecting actuarial contributions to understanding the pandemic better. Along with this, the COVID-19 Actuaries Response Group (ARG), an informal community of ten actuaries and medical specialists, led by Stuart McDonald and Matthew Edwards, came into being outside of the IFoA. They had a desire to learn and share notes, with the aim of helping fellow actuaries as well as a wider audience to understand and manage the unfolding COVID-19 crisis. They do not aim to duplicate or rival the quality and rigour of work achieved by our official publications. But they do aim to be quick and responsive. So, in effect, they are what Steve Jobs would call a “skunk works” group, doing the best they could outside the IFoA.

The COVID-19 ARG has attracted 4,300 followers on LinkedIn and 3,400 followers on Twitter in the last 15 weeks. The engagement scores were extraordinarily high. They appeared in the *Wall Street Journal*, in *The Spectator* magazine, the *Financial Mail* in South Africa, and in four insurance publications in the UK. The 42 bulletins produced by the ARG, as well as our own highly respected CMI updates and publications, were universally praised.

The combination of the work of the ARG and the IFoA’s COVID-19 Action Taskforce meant that IFoA actuaries, as a group, are seen as being able to move with speed, make impacts on social media, and also produce high-quality and rigorous pronouncements with care and professionalism. This has caught the attention and approbation of many throughout the world. I would like to suggest that the IFoA’s governance evolves quickly and acts imaginatively to embrace the creation of such communities outside the IFoA.

Let me say, if our system has too little diversity, experimentation and adaptation, we will be trapped by complacency, groupthink and rigidity. We must avoid this danger. We must create a culture where we place:

1. relevance and engagement alongside compliance and standards;
2. speed and responsiveness alongside reverence for process; and
3. celebration of excellence and diversity of ideas alongside conformity.

We must begin to think of ourselves as a network of communities with Staple Inn as our spiritual hub, supported by a proactive, responsive, and motivated Executive Team at Holborn Gate.

In this regard, I am grateful to Grahame Stott, the Chair of our Management Board, who is leading energetically behind the scenes to alter our governance arrangements in support of this vision, and in service of our membership and our strategy.

I want to use my presidential term to ask all of us to go forward with courage and imagination and not to go back to the old ways. To be more agile, to judge when to be looser, when to be tighter, and to create an ecology where our members are engaged, and our leaders are engaging.

The DNA of an Actuary

Now, I would like to talk about the DNA of an actuary, as I believe our DNA must be the fountainhead of the IFoA's new strategy. Many of us joined the profession because we were encouraged to do so by our teachers or career advisers. We were considered capable in mathematics in our school and university. We did not choose engineering, physics or mathematics, because we wanted to apply our skills in an organisational or a business setting. Above all, we wanted to be rewarded well, not just financially, but also by being given interesting problems to solve with our mathematics.

We work in life and general insurance companies and in the pensions industry. We work in investments and banking, in digital start-up companies, in data science and management consultancies. Our aims in all of these jobs are to apply our mathematics in a practical setting and work in a place where we can enjoy a rewarding and fulfilling career. What unites us is this common DNA. It is not about life insurance, general insurance or pensions. It is about using our mathematics to solve practical problems.

This DNA is lucidly explained in Chris Daykin's presidential address in 1994 (Daykin, 1995). He said that our distinctiveness is applying mathematics, especially in the financial context. And he warned that we must not be lured by the siren of generalism, lest we lose our distinctiveness. He emphasised that we are not only mathematicians. We integrate various disciplines around mathematics, and we are members of a profession committed to communication, ethical standards, and the wider public interest.

The new IFoA strategy brings to life what Frank Redington said more than 50 years ago, and what Chris Daykin said more than 25 years ago. The new IFoA strategy is our new narrative of how actuaries can make a difference in a digital age and in a future fraught with uncertainty and opportunity.

VSMD Strategy – Imagination

The new IFoA strategy has four components: V, S, M, and D.

V is for vision of the IFoA actuary.

S is for skillsets.

M is for mindsets (and the culture of the profession).

D is for domains.

In the last 16 months, your Council and Executive Team have worked hard with John Taylor, Louise Pryor, Jules Constantinou and me to create this narrative. In the V part of VSMD strategy, we made the following six salient points regarding the Vision of the IFoA actuary (Figure 1):

Vision of the IFoA Actuary

- Existing training and traditional roles not sufficient to secure our future in a digital world
- Traditional roles central to the IFoA
- Take advantage of opportunities in new domains globally
- Apply our skillsets on wider social issues of our time
- Enhance character and essence of the IFoA Actuary
- Extend skillsets, reposition mindsets, explore new domains

Figure 1. Vision of the IFoA Actuary

One, the digital revolution is transforming our economic landscape and our traditional domains. Our traditional roles, alone, in life and pensions will no longer be enough to secure our future as a profession. We owe to our members and to ourselves a redefinition of our capabilities, so that we can navigate the emerging paradigms of the future with confidence.

Two, most of our members still work in life and pensions in the UK. And in these fields, they play very prominent roles. Our expertise and reputation have largely depended on this group. The aim of the VSMD strategy is to make sure that they and the generations who come after them can continue to thrive as the industrial landscapes they work in are redrawn. We want to make it absolutely clear that they, and the work they do today, remain central to the IFoA.

Three, new roles for actuaries in existing and new domains have arisen in the UK and elsewhere, and we must take advantage of this development. This is our opportunity to re-embrace and re-engage many people with our DNA back into the IFoA. This will help us create a diverse, exciting, global and thriving profession, and open up opportunities for all.

Four, in line with our public duty, we must apply our actuarial skillsets more decisively, deliberately and ambitiously to achieve the social impact goals of our time. For example, in climate change, ageing, artificial intelligence (AI) and ethics, economic and health security, and now, more topically, epidemiology and the long-term consequences of pandemics. This will open up exciting vistas for our younger actuaries whose concerns are increasingly about social impact and making a positive difference in the world we live in.

Five, our tradition, training and culture have conferred on all of us an enviable character and an essence which is uniquely the IFoA's. This character and essence speak to the high-quality of our education, our reputation for sound business judgement, and the high ethical standards anchored in our beloved Actuaries' Code. The VSMD strategy seeks to protect and enhance this character and essence as we undergo our transformation.

Six, what the VSMD strategy seeks to change is Skillsets. And we seek a serious shift in Mindsets and Culture of our Profession. We also seek to embrace the many new Domains in which our collective DNA can thrive.

Skillsets – S of VSMD

Now I come to S of VSMD, denoting the skillsets of the profession (Figure 2). We need wider, more relevant and contemporary skillsets to tackle the opportunities made available by the digital revolution and the social impact challenges of our time.

Skillsets

- Data science, machine learning, artificial intelligence integral to core training
- Multi-disciplinary approach - thrive in digital revolution - make a difference in social impact

Figure 2. Skillsets

The VSMD strategy calls for two specific things on skillsets:

Firstly, an extension of the current core syllabus and lifelong learning to embrace data science, machine learning and AI comprehensively.

Secondly, an education and training in new and relevant skillsets which will enable our students and members to work increasingly in newer, diverse, and exciting fields. These skillsets are related to digital technologies, social platforms, behavioural sciences and quantum leaps in science and innovation, impacting the structure of our traditional industries. To this I will add a range of subjects which support our efforts in new domains like banking and our higher aims in the area of social impact like climate change and sustainability.

Mindsets and Culture of the Profession

Now I come to the M of VSMD – denoting the Mindset and the culture of the profession required in a world of rapid change and uncertainty (Figure 3). This is the most elusive and yet most critical component of our strategy. We want to promote and bring out more explicitly the following qualities in our profession:

- Courage
- Curiosity
- Adaptability
- Judgement
- Imagination
- Growth mindset

Mindset and Culture of Profession



Figure 3. Mindset and culture of the profession

The Growth mindset is a specific psychological term which embraces perseverance, experimentation and continuous learning (Dweck, 2016). Our positioning as a brand, and as a profession, must change. We must have the wisdom and the self-awareness to realise that our culture is our own creation, and they are a manifestation of our behaviours and practices accumulated over the years. We must be bold in going beyond the practices and processes which are unhelpful or which stand in our path.

We must remember what Frank Redington advised us more than 50 years ago. We must not be weighed down by our besetting virtues of accuracy, cautiousness, consistency and reticence. We

must make room for new ones – courage, curiosity, adaptability, judgement, imagination, and the growth mindset.

We must promote, exemplify and celebrate these new values, profile these values, encourage these values and attract new members with these values. If we do all these consistently over next 2 to 3 years, and make sure they stay in the foreground in our Council and Management meetings, and in all our deliberations, we will create the flywheel for change. Changing mindsets and culture is not easy, but it is possible. In our case, it is urgent and necessary. We have a compelling reason to change. It is the only way we can secure our future. Let us do this with courage and imagination.

Domains

Now I come to the D of VSMD, denoting domains (Figure 4). This is a call for an open, imaginative and creative exploration of the domains we can work in and influence, given who we are and our DNA.

Domains

- Actuaries recognised as analytical problem solvers
- Core domains – life, health, general insurance and pensions
- Other domains where our unique attributes can add value
 - Banking
 - Investments
 - Health ecosystems
 - Fintech
 - Climate Change
 - Wider data-science, risk and modelling roles

Figure 4. Domains

We want to be recognised as actuaries and analytical problem solvers, not only in our core fields but also across a wide range of domains, wherever our unique attributes can add value. Actuaries are already moving into spaces beyond traditional fields. For example, in banking, health eco-systems, financial technology (FinTech), technology and consulting firms, and many more. We must also recognise that the rise of AI and data science will create many new and exciting roles within our traditional domains. We must support our actuaries in seizing these opportunities with confidence. So, with this, I have given you the highlights of our VSMD strategy.

This VSMD strategy applies internationally, as we seek to nurture our rising influence in South East Asia, India, China, and Africa. The IFoA will strive to meet our members' expectations irrespective of their location, domain or career stage. We have to remind ourselves that, whilst we are immensely proud of our British heritage, we are a global organisation. This is especially pertinent today as almost one-half of the IFoA total membership are based outside of the UK.

The VSMD strategy speaks to both our heritage and our future. It is a narrative that speaks to our desire to be a learned society, providing thought leadership at the heart of public interest. A narrative which supports the exploration of social issues of our time and helps us make a difference in this world.

A narrative which, regardless of whether you are UK-based, or Africa-based, or Asia-based, you can commit to. A narrative which, regardless of whether you are working in life or health insurance, in pensions or in risk management, in general insurance or in FinTech, in investments or banking, in management consultancies or in regulatory bodies, you can subscribe to. Because this is a narrative about how our common DNA as actuaries can be applied in many, many different ways.

[Post meeting note: A longer version of this VSMD strategy is available on the IFoA website: <https://www.actuaries.org.uk/system/files/field/document/Appendix-to-the-Presidential-Address-FINAL.pdf>]

Thought Leadership, Uncertainty, and Imagination

Now I would like to draw your attention to the bigger world beyond the IFoA and talk about thought leadership. Our current professional practice is anchored on neoclassical economics and its belief in rationality and efficiency of markets, and that risk is best measured by short-term volatility of asset prices. This has produced a focus on short-term outcomes at the expense of value and sustainability in the long-term. We have an incentive culture which exacerbates inequality and thrives on the information asymmetry of opaque products. Our probabilistic risk models do not capture the uncertainties inherent in the complex systems we live in. Our emphasis on capital efficiency and productivity has reduced our resilience as a society. Our preoccupation with growth has come at an unacceptable price to our environment.

A lot of what we do is precious: professionalism, integrity, technical competence and compliance in ethics. In themselves, they are not sufficient: effectiveness and diligence are unhelpful if they operate within an unsound paradigm or are directed at a wrong or too narrow a purpose. As individual actuaries, and as individual agents, we may be making the “right” or “correct” decision within a narrow regulatory framework, but what use is that if the framework is resting on multiple fault lines? We pride ourselves as risk professionals. How can we be effective risk managers and make financial sense of the future when we cannot make sense of the present?

If we are advising on risk in a system which is unsustainable, and if we do not call this out, I put it to you that we are not doing our job. We must speak up, as our Actuaries’ Code requires us to do. The regulatory system and the financial sector have a social purpose, but regulatory unintended consequences and the financial sector’s shortcomings are now a matter of extensive public debate. The IFoA and the profession can be braver and have a stronger voice and use our influence to help reform the system. These societal questions are questions our profession cannot ignore. We must engage more widely and more confidently to influence reforms. We must truly step outside our shadows.

In the same breath and with humility, let us not pretend we have all the answers. We do not. But we can help to rethink the questions through the long-term and risk management lens which are our unique strengths, and which characterise the history and tradition of our beloved profession. Members of the IFoA, this is not a choice. This is our obligation.

This will be a large, collective and long-term effort. It is not just about economic theories and their assumptions. It is about culture. It is about anthropology. It is about navigating between small-world thinking and large-world thinking. It is about complex adaptive systems. It is about risk. It is about uncertainty. It is about how actuaries can bring judgement to bear. It is about reimagining what can be deemed possible.

We must encourage and bring into the foreground thought leadership in many paradigms. Climate change and sustainability, new economics, AI and ethics, systems thinking, uncertainty and judgement: all these are inter-linked. We truly have to navigate across the paradigms.

We need to engage debate with all parts of the IFoA, design a research agenda to fit our purpose, and be more assertive in our regulatory and policy impact. Our social purpose and our position on environmental, social and governance issues must be central to our actuarial thinking and be fully integrated into the profession and our education.

For this to happen, there is a strong need for change in our mindset. We must believe our views matter. We must stand up and be counted. We need to be braver. We must argue for changes in the name of public interest. We must believe that our mathematics enable us to work within the system, but our capability and judgement oblige us to work on the system. Only then can we call ourselves professionals.

I would like to make a call today to re-engage actuaries who have felt that the IFoA has lost its way in this regard. I invite these actuaries to come forward to participate more actively in the

revival of thought leadership in the profession. Please be prepared to step forward, to do for the profession what you expect the profession to do for you.

I will do as Geoffrey Heywood declared in his 1972 presidential address “to give the Institute leadership directed with all the energy which I am able to muster” towards this effort (Heywood, 1973, page 4).

Conclusion

In closing, I would like to summarise the five pillars we need to pursue with thought, care, and urgency:

1. We revive the spirit of a learned society and bring thought leadership to the foreground.
2. We implement the VSMD strategy with pace and urgency.
3. We encourage the IFoA Executive Team, led by Stephen Mann, to accelerate their cultural transformation.
4. We reappraise, with courage and imagination, the governance arrangements of the IFoA.
5. As a profession, we embark on a cultural transformation to create room for courage, curiosity, adaptability, judgement, imagination and a growth mindset.

We are at an inflection point. Let us do all these with courage and imagination. And let us remember, “the actuary who is only an actuary is not an actuary.” The Institute and Faculty of Actuaries is a great professional body. It is our professional body. It is a professional body of actuaries, by actuaries and for the public interest. The best is yet to come. Thank you for your attention. (Speech concludes)

The Moderator: Thank you very much, Suee Chieh. I think that was a very inspiring address. I say that not just because it is my opinion, but also because many of the comments that we have been seeing in the question column while you have been speaking have been using words like inspired, inspiring, and motivating. So, you definitely have struck that chord with many of the people who are listening.

Questions from the audience and the President’s response:

Questioner: You talked in the address about the VSMD strategy. It has also been clear from the strategy work being developed with Council that the importance of culture has, more latterly, come to the fore as being a particularly significant part of how you see this strategy getting taken forward. Could you talk to us a bit more about why you think culture is so central to the delivery of the VSMD strategy?

Mr Tan: I will talk about it on three levels. When the VSMD strategy first started, we were talking about the domains we work in, in the life and pensions industry we work in, and the skills that apply to those domains. We were encouraging our actuaries to go into new fields. But it is not just about skills. It is about curiosity, adaptability, about learning or the growth mindset. These were embedded into the VSMD strategy. When we came to the execution of the VSMD strategy, we realised that the Executive team also has to be agile and responsive, because the world they live in is the same world that actuaries live in. It is the world of change and uncertainty. We have got to be more curious, more open, and more adaptable. Why are we unable to do that? Because of our governance arrangements which were a product of yesteryears. They were based on the old virtues, the quintessential values of accuracy, consistency, reticence, and cautiousness, which were very valuable and still remain central. But we need to have new room because of the new world that is changing. The world has become more uncertain. Those governance arrangements have to be altered so to allow the Executive to respond very quickly.

But where does the governance come from? The governance comes from our culture, the culture of actuaries. The thunderbolt came to me when I read Redington’s speech. He talked about

the four quintessential values: accuracy, cautiousness, consistency, and reticence. We wanted to be right, to be complete, to be consistent, to be careful, and that is very important. But he did ask us to create more space and more diversity for new styles of thinking and new perspectives to come in. So he came very strongly into the foreground in the last three or 4 months.

The Moderator: Thank you. That has really helped to explain why you think the culture is so central. There are a couple of follow-up questions on that, suggestions on actions that you might want to take. Firstly, are you planning to create an IFoA culture transformation task force? I think maybe the questioner is thinking of how the task force on COVID-19 has been so effective. Secondly, would it be a good idea to have VSMD ambassadors?

Mr Tan: I will take the second question first. We need advocates and ambassadors – there are many words for it. In any change process, you have people who are champions and advocates, and then there will be people who are supporters. We need about 20–30% who are strong advocates for this change. They will be exemplars and then the supporters will come in. In any change process, you will have people who are slower to adopt. So we need to create a powerful coalition for change.

I am more sceptical about using the word “task force” because it is about a cultural change. It is not about task force, but mindsets. The people at the top of the profession should meet and exemplify in the things they do on a day-to-day basis. It is not about “let’s have a task force meeting and therefore let’s exhibit curiosity.” It is not about that. It is about being curious, being inventive, about challenging the rules. It is about asking what else is possible, in that spirit – and to catch ourselves doing it. That is more powerful than setting up a task force with minutes, etc. I do not think we want to do that. I have seen regulatory bodies, not too far from where I am, who try to set up culture task forces, but I do not think it works that way because culture is something you do and live. I am fundamentally optimistic that we have enough people in the right places to encourage this change.

The Moderator: Thank you very much for being clear on those two points. I am going to pick up also on something you said in your first answer and in the address, which is the need for change in governance. We have had a few questions come in around this. I think largely what people are asking is, what do you think is wrong with the current governance? More specifically, can you tell people what changes you expect to see happen during your presidential term?

Mr Tan: Yes. I think our practice boards and corporate boards need to be more responsive to the members and work more easily with each other. We are still thinking this through, but there is a consensus at a senior level that this needs to be looked at quite urgently. These are not constitutional changes. These are changes in our working arrangements with practice boards and corporate boards. For instance, I think they do not need to have a consensus before they move to a decision. They can disagree and could be more creative as a result, as long as it is framed properly.

I also felt – this is probably more personal, and that is less widely shared – that the size of the Council, in my view, is too big to enable many good conversations. We have got to make sure that it works better. I felt that, sometimes, decision-making is too diffuse across the IFoA. Consequently, it is hard to act. That is fine because it produced in essence value in collaboration, and that might be the right answer in a world where changes are slow. But when changes are quick and digital and radical, you need something which is more responsive. The online exams were a very good example. There was an oversight committee working with the management board, and they quickly made a decision. It needed to be made quickly because there was a burning platform. Either we do it quickly or we do not do it at all. We can learn from that. The COVID-19 ARG is another example. It wanted to be a working party, but it took too long to agree the terms of reference. So they went ahead and did things. They were very careful to make sure that whatever they did brings credit to the profession and complies with the actuaries’ code.

We should encourage such experimentation, such diversity. Also, I think we should have a culture where it is acceptable to get some things wrong. In a digital world, experimentation is very important. In fact, you are encouraged to fail in many instances in a digital world. But that

is not a culture of the four quintessential values. In that world, a more stable world with structured data, you want to get things right. So, you really need a mix of the two.

The Moderator: In summary, it sounds like what you are saying is that we need a much more simplified system. I particularly like the fact that you are encouraging actuaries to embrace the concept of “fast failure.” I think you are absolutely right. That is a good way for us to evolve more quickly. I am going to ask one of the key questions that has come in a couple of times. An inspiring address and quite a lot of big ideas in there, but what are the tangible measures of success? In 12 months’ time, what things would you want to have been done that would make you feel that it was moving in the right direction? Are you going to measure if we have done this or not?

Mr Tan: I think the most measurable one would be our skillsets. We have a new form of committee called Project Moonshot. The whole idea is to have a curriculum which captures the content and spirit of the skillsets. So, we have a number of modular programmes on banking and climate change, and an insertion of data science into the Associateship curriculum. I would see that as progress. I would also like to see the data science certificate, which John Taylor launched, to have wider take-up. That would be important. Those would be specific ones.

The other ones would be on mindsets. Here, mindsets is harder to measure. The mindset would hopefully unleash our responsiveness and our originality in ideas, and that would be manifested in many things we do, like the explorations of domains and also in terms of altering some of our governance arrangements.

The Moderator: There is a list of quite tangible things, like a checklist that in 12 months where you can say, have we done these things? I think that will really help people who have been listening track our progress against this. There was a related question that talked about the fact that this is quite an ambitious plan that you are setting out, but your presidential term is only a year long. Do you think the presidential term should be longer? You can tell me whether you want to address that particular question or not. Fundamentally, the question is about how much of this and how much you outlined about the tangible deliverables can be done within your presidential term.

Mr Tan: Louise Pryor, who is my successor, is very aligned. We are very aligned with one another. We have been working on VSMD and Thought Leadership for the last 18 months or 2 years, and I know her from 35 years ago. We are aligned and we have supported each other, so there will be continuity into Louise’s term. Stephen Mann and Grahame Stott are already signed up to this strategy. I do not see any likelihood of substantial deviation. I hope that the successor to Louise will also be a committed supporter of this strategy.

My personal opinion – but I do not have a monopoly on right answers – not for me but for future presidents, is that a 2-year term would be better so that they can pursue their agenda over a longer term. We can work with what we have, certainly for my term and for Louise’s term. Whether we have the interest and desire to alter those arrangements has to be thought through very carefully.

The Moderator: A very clear answer. Thank you very much. I am going to move us into a different type of question. A number of questions we have had are more about the concepts that you have described or the implications of those concepts. I will start with what you said about growth mindset. Do you think a growth mindset can be learned or developed, or actually is it something that is innate in people, that you either have it or you don’t? Can people learn this growth mindset if they do not think they have it at the moment?

Mr Tan: One of human beings’ greatest endowments is the ability to choose what they want to believe in. I got the quote from Victor Frankl, who wrote *Man’s Search for Meaning*. That is a unique skill of our species. We have the ability to choose what we want to believe in. The person who coined the term “growth mindset” was Carol Dweck, and I had the great fortune of being her student 20 years ago at Columbia. She taught the fixed mindset and the incremental mindset. It was called incremental at the time. Why do some teenagers have a sense of mastery and go on to succeed, while others remain stuck where they are? It is the beliefs they have chosen themselves:

“I am clever, therefore I do not have to learn” or “I am not clever and therefore I will never improve.” Those who have a sense of mastery will say that learning is the key to their capability. If I fail, that is an opportunity to learn. This is really true and I subscribe to it myself. You can change the world by changing how you think about the world. I am of the school that your mindset is not something that you are fixed with. The whole idea is that you are not fixed in your capability and your ability to grow. I am a strong believer in that. I think many of us actuaries are. We just have to create space in our minds for that.

The Moderator: It struck me when you were giving that answer that, to the person who was asking if you can learn a growth mindset, in a way they already have a growth mindset because they are asking what they can learn. So, maybe they have answered their own question.

Mr Tan: Do you mind if I just add a couple more points on this? It is not about growing per se. If you research into Carol Dweck’s work, it talks about how we cope with failure. Failure is a good thing because you learn from it. You should not be envious of other people who succeed. Also, you must embrace experimentation and openness, a whole set of qualities. There is the issue of perseverance. Actuaries, by their nature, because our exams are quite difficult, have an element of perseverance. We do persevere, otherwise we will not succeed. But we should not believe that we are fixed. If we believe we are fixed, then we are going to be fixed in a box where we are. The whole idea of our strategy is that we do not think of the box we are in; we think of our capabilities. Our capabilities are our DNA, our love of mathematics and our ability to apply it. I think that it is increasingly indispensable in a digital world. If you have a 100-year life, what you learned at the age of twenty is not going to be very relevant in 40, 60 years’ time. You really have got to believe in lifelong learning. It is not a cliché. Lifelong learning, you really have got to do it. I think, as actuaries, you can treat it as fun, not as a serious examination requirement.

The Moderator: Thank you. That is a really helpful addition. I am going to ask you a couple of regulatory questions. We had a very interesting question which said that there is increasingly heavy regulatory oversight or an increasingly prescriptive regime, particularly in many insurance markets – certainly in markets like the UK, but I think increasingly in other parts of the world as well. The question is whether you see this as a constraint on the kind of responsiveness and approach that you have been talking about, or whether you see it as an opportunity to be able to try and shape and evolve the way that regulators are thinking about the kind of work that actuaries do as well. So, a question about whether regulation is a constraint or an opportunity in the context of your strategy.

Mr Tan: I see this as an opportunity and I think it is a constraint too. Let’s take the UK as an example, but that is a mirror for many economies. Actuaries are increasingly doing a lot of risk calibration and quantification. I have sat in risk management committees 800–1,000 pages of reports based on probability risk models, which are correct within that small world of risk theory. Northern Rock, a building society in the UK, was considered a Triple A a few weeks before it collapsed, partly because within the system, they were correct, but beyond that system it had liquidity issues and there were a lot of uncertainties which were not captured by statistical distributions. We have become more prescriptive, but it does not add wisdom. In this regard, I have been quite influenced by the writings of Mervyn King, the ex-Governor of the Bank of England, who talked about uncertainties outside our system. Actuaries are very good in both worlds. I think we have to extend our branches into the bigger world. In a smaller world, we are doing the quantification within the rules set up by the regulation. But the regulation may not be operating in the best interests of the industry or in the interests of our customers, which are both really important. We are selling products to our customers which are sometimes very opaque, where the cost is too high. Yesterday, I said in a discussion on the great risk transfer that we are transferring risk to our customers and our customers do not really know how to make decisions. Many of our customers are making decisions on those risk transfers, but institutions should be managing decisions on their behalf. We are transferring those decisions to protect our balance sheets and that is not quite right.

The other example is climate change, and our emphasis on growth and productivity. We have got a lot of big issues. We must be ambidextrous. My orientation is that we should encourage the profession to speak up more courageously about shaping regulatory regimes so we are not just a rule-taker, but a contributor to the rules as well.

The Moderator: When you were talking about Thought Leadership, you touched on the relationship between the principles on which much regulation is based, and whether or not the thinking that it is based on is still relevant. It does strike me that there is a bias towards saying that there is the opportunity to shape it. A related question on our current regulatory arrangements, the way that the IFoA regulates its members, particular in the UK, and also the way that the FRC regulates the IFoA, do you have a view on whether those regulatory arrangements are appropriate?

Mr Tan: I would like to give a more considered answer to that, partly because I have not spent enough time on it. But I have heard enough from our members on TAS 100 and its application, especially outside life and pensions, that it might be too heavy handed. Also, where does the whole philosophy sit in terms of regulatory systems? There I would borrow a lead from Mervyn King, who said we are not really catching the right risk, for instance, in pensions. I would be worried about funding, but what about covenant risk, which is really outside our domain but will have an impact on our customers, the members of pension funds? I think it is an area where I would be happy to learn more. I know that I also know that Neil Buckley and some of our Council members on the Regulatory Board are thinking about this.

The Moderator: It is an area that needs a lot of consideration. I just want to make sure that I am asking you some of the difficult questions as well as the easy ones. Let's move into some of the broader questions. I am combining a few here. There are a few questions about how you will plan that your strategy will reflect cultural differences. You talked about what an international organisation the IFoA has become. You are the first Asian president. To what extent do you think there are differences in different parts of the world in relation to the strategy you outlined? There is a related question about how we might increase awareness about the actuarial profession and actuarial skills as a whole into those wider fields, and particularly a suggestion that in some parts of the world, actuaries are still seen as just being in traditional fields. The questions are really about cultural and geographical differences or similarities, and how you are approaching that aspect.

Mr Tan: That is a multifaceted question. I think the first one, I do not see any differences when we apply the values that we want to apply across to the profession, but I am very conscious that we have a very different culture in Asia, in the Netherlands or in Africa. All cultures are different, especially in the practice of something like the actuaries' code, say for speaking out or the conflict between loyalty and objectivity. Those differences do show up. In areas of courage, adaptability, and so forth, I suppose different cultures will have different takes on this. Fundamentally, it is still a question of tilt. It is not that you change completely, it is the tilt. That is what I would say so far.

In terms of implementing rules in different domains, we should support the people who are successful in different domains, for example in banking or Fintech companies. We have actuaries working in those areas. We should give them more airtime. We should encourage them to form members' interest group. I recall there was a blog written up about how to help actuaries to transfer their careers and how to manage their career changes. So we should encourage them. But there will be a group of us who prefer to work in the stability of an existing field. That is fine. It is called diversity. We are not saying that we are all going to be working in Fintech. I do not mean that. I mean we just want to open up the possibilities. There will be some of us who will quite enjoy the difficult and important analytical work. We need to have many of us doing that, not just in the UK but across the world. But we must also be mindful that we must open up opportunities for people in those companies, because even in Prudential, Aviva, AXA, there are many changes within those companies. You have just got to know much more in terms of digital considerations,

sustainability, and so on. It is the language of our time. So it is important for them, and also for those who are working outside of those traditional domains.

The Moderator: That has been a really good answer and I think that will have addressed quite a few different questions that have come in. So hopefully different people have recognised bits of their questions and your answer in what you have said. We have had a few questions asking about the extent to which you think that this would be more powerful, if you like, if we worked more closely with other associations. These questions are really asking your views about whether and how we should work more closely with other actuarial associations, and perhaps particularly those global or supranational bodies like the International Actuarial Association and the Actuarial Association in Europe, and so on. How do you see collaboration with other associations to take VSMD forward?

Mr Tan: Collaboration with other professional organisations is one of our cardinal principles. We would definitely work with other professional organisations without doubt. That has been our history and that is, in fact, one of the underpinning guiding principles of the Council when we set up the strategy. So it is not in doubt. How to, in what way, I think these are questions. We are in exploration with many of the bodies even today. But I suppose the real challenge is a trade-off in terms of speed over what you want to do. We are probably quite happy to share what we have here. But the speed of execution is a consideration. You have got to think of it as an ecosystem, because the world is an ecosystem. Some of us are going to move differently because we are in a different industry, and we are going to do it at different speeds. I do not have a problem with that – it doesn't mean that we are not collaborating. Our mindset is an international one.

The Moderator: Then it is about making sure that we keep the pace but making sure that we have that principle of collaboration. There is a question about whether there is another profession that you would look at, that you think is already doing the kind of thing that actuaries should be doing really well. Is there a profession that we can look to inspire us or give us ideas about how to do this?

Mr Tan: I have to think about that. I think that all professions are under threat. I can think of lawyers, of news journalists, of accountants, of radiographers, all the professions are under threat by digital because our whole paradigm is anchored on a print-based society, but we are going to a digital society. A digital society is not just a transfer of knowledge. The characteristics of digital knowledge are it is democratised, peer reviewed and increased, and there are multiplicative effects. And then it is coupled with AI. The implications are just going to be big. No one can really tell how the professions will evolve. In that regard, I am quite influenced by the books written by Richard and Daniel Susskind about the future of the professions. The only thing which can guarantee our future is our mindset. So lawyers, especially those who are in conveyancing and such like, clearly I cannot see it existing in the years to come. Change is not going to come immediately, but it will come. I suppose one good example I could give which I have lived through was when Steve Jobs came with his iPod in 2005. It was fine. Tower Records was there; HMV was there; Virgin Records was there. Eight years later they were gone. But for the first 3 years you were fine. You were still busy. Suddenly it was unsustainable. So change has a very funny feel about it. It occurs very slowly, and then happens very quickly. I can see that happening. When I joined Prudential, I used to do all the charts for Industrial Branch (IB) business. This was the “Man from the Pru” collecting a £1 a week or whatever from all the householders in the UK. When I moved to Singapore in 1998, about 15 years later, the business was closed down. It was such a huge business at that time. And that was 15 years. It was nothing to do with digital; it was to do with bank giro. So it can happen quickly.

The Moderator: I think the answer is more about looking at examples and being aware of the speed of change, but not necessarily at an individual profession. I am keeping an eye on the clock, but I think I have got time to get a couple of more questions in. It is clear from the Q&A panel that some of our lay members who serve on some of our boards have also been keen to hear what you have to say. One or two of them have been asking, in relation to particularly how you are talking

about governance and taking the strategy forward, what you see as the role of the lay member in terms of how they help and support taking the profession forward. What is the role of the lay person?

Mr Tan: Very important. I have met many lay chairmen and lay members, and they add tremendous value to our deliberations. We just have got to make sure that their contribution is aligned to the shared context of the organisation. And that is the issue. I have been to different boards and I sense that the conversation is slightly different from the other conversation in the Management Board and also in the Council. If they do not get the complete picture, they will be unable to contribute in the way that we want them to contribute. I know Helen Wright very well. I am not sure if she asked the question. She chairs the Life Learning Board. We have spent a lot of time together to talk about the VSMD. Her board need to see the whole sense of the evolution of VSMD. That is important. But again, I am reasonably new. I see the world according to my limited views. There might be other views. It is a question we need to explore openly. I am really grateful to Grahame Stott in this regard because he saw the issues. I think we have got to be open to accept that if there is an issue, we can solve them. I think we are all in agreement that there is a problem. And we can solve them. We are all quite creative. I think there is a new energy to do that. Lay members are important because, again, it is about diversity. We have got to ask the question, are we using them well enough? I have been on the Market Development Board as well. We have got great members there. How do we use them better and more wisely?

The Moderator: That is going to be a very encouraging answer, hopefully both for the actuaries and for the lay members who have been listening in. I am going to turn to a final question which weaves together a few different questions which have come in. You have touched on this a little bit. A lot of actuaries do still work in traditional fields, despite the rapid increase that we are seeing in new domains and wider fields. They are quite proud of what they have achieved in these areas. In a sense, their reputation in those traditional fields is built on managing risk and being cautious. What is the role of the actuary in traditional fields and how do we make sure that in taking on a more daring and imaginative approach, we don't throw away the thing that built actuaries' reputation?

Mr Tan: Definitely. I said in the speech that they (actuaries in traditional fields) are central to the IFoA. In fact, not just in the UK but also in China, in Malaysia, Singapore, the traditional fields are still the largest employers. I think those are our bedrock. The strategy is really to create opportunities for people who work in traditional fields as well as those not working in traditional fields. But in the application of regulation, we have got to be more imaginative. The rules required for people who work in life and pensions in the UK, are they appropriate for, say, pricing actuaries in GI or Fintech companies, or some of the directors? There has been a bit of debate about that. Rules must be fit for purpose. I do not want members to leave this address thinking that the work in the traditional fields is unimportant. I come from a traditional field: I am from life insurance in the UK.

But I realise that conversations are changing. There are different shades of actuaries. There are those who quite enjoy doing the more predictable stuff and they are doing it really well. There are some who are more managerial. So if you look at those who are more managerial, even in big companies like AIA, FWD, Aviva, they are more curious and they are more communicative. It is not really "either or." It is really a bell curve. For me I am suggesting that we are more open. I suppose the more important point for me is that when we make decisions at Council or at the IFoA, we have just got to make sure that our natural orientation does not flow through, to try to do things in a complete, perfect and consistent manner, and without errors. Consequently, our rules, our minutes, our process could be more than necessary to keep the governance going. I think this is the time when we have got to be smarter. No chairs, members or executives have disagreed that we (IFoA) are naturally slow. I do not say that as a criticism of anyone. We aim to be right, perfect, and complete. We want to be accurate, consistent, cautious, and reticent. That makes us really check what we do many times. I am really impressed by the quality of our documents, but

the method of producing them may not be fit for purpose. This is the part that we need to look at to move on. I was part of the COVID-19 ARG and we agreed that what we produced would always be beta versions. We will never aim at a perfect version. Any computer software pushed out by Google is a beta version. So for the ARG, you may be able to find mistakes in our documents or parts that could be improved but we are going to get it out by this Friday. So we aim at a beta version.

The Moderator: That seems like a very good note for us to end on. All that remains for me to do now is, on behalf of all of you who have been attending, to thank Tan Suee Chieh for this very inspiring, motivating, and visionary event. All kinds of fantastic words are being used to describe what we have heard this morning. We have tried to answer as many of the questions that came in as possible, and I am sorry if we did not get to everything. I think this is probably the start of quite a long dialogue. Suee Chieh has obviously given a call to arms to actuaries everywhere to play their part in taking the profession forward for the digital age. I personally look forward to seeing up close the progress that we are going to make during your presidential term, and hopefully to be able to play a part in supporting that work. What remains is simply for me to thank everyone who has taken the time to listen in to us today. But most of all Mr President, thank you.

Mr Tan: You are most welcome. Thanks Annette.

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Appendix to the Presidential Address, 2020

Extracted from IFoA Council VSMD papers, March 2020

Vision, Skillsets, Mindsets, and Domains – VSMD

Whilst the traditional actuarial roles remain at the core of the profession, momentum continues to build in understanding how our work around vision, skillsets, mindsets, and domains not only shapes our education and member proposition offerings, but serves as a framework for the transformation and rebranding of both the IFoA and the broader profession.

Vision: In a changing profession, the IFoA can best support its members through a dynamic curriculum, fostering a learning (growth) mindset, and wider skillsets. This combination will expand the domains in which our members may work, both now and in the future.

Skillsets: The IFoA will continue to evolve its complete learning offering so that members at all stages of their careers can access skills that equip them for success.

Domains and mindsets: To bring to life how we support members to strengthen their foothold in existing domains, as well as working in wider fields.

There is growing acceptance and recognition that the VSMD strategy is not just about skillsets or syllabus in isolation. It is the coherent alignment and execution of all four aspects – vision, skillsets, mindsets, and domains – over a sustained period of 3 to 10 years, which will lead to a repositioning of the actuarial profession for the 21st century.

Vision of the IFoA Actuary

The 4.0 industrial revolution, which embraces ubiquitous, mobile supercomputing, data analytics and AI, intelligent robots, self-driving cars, neuro-technological brain enhancements and genetics, will impact the traditional domains in which actuaries work and redraw the industry's landscape.

We owe to our members a redefinition of our profession and a new narrative, so that we can navigate the emerging paradigms of the future with confidence.

We will leverage thought leaders in our membership to seek new perspectives and tools that challenge and develop our existing actuarial toolkit. By so doing, we will equip IFoA actuaries with modernised skillsets and encourage new mindsets, so that we can participate and lead actively in the changes emerging in new industrial ecosystems. Roles for actuaries in existing and new domains have arisen in the UK and elsewhere, and we are well- placed to participate in their development.

We will apply our skills in actuarial science more decisively and deliberately to achieve social impact and sustainability goals, including ageing and demographics, AI and ethics, urbanisation, environmental degradation, economic and health security.

What characterises our expertise in these fields is the use of data and an appreciation of uncertainty and risk of future outcomes, and we bring our techniques, business, and actuarial judgement to bear in a manner that reflects the IFoA's traditions of quality, trust, fairness, and integrity.

Most of our members work in life and pensions in the UK. Our expertise and reputation have largely depended on this group, and they will continue to be pivotal in the Vision of the IFoA actuary.

Skillsets

Actuaries increasingly work beyond their traditional domains. This is leading to a more diverse and thriving profession, providing greater opportunities for our members worldwide.

The future of any profession is no longer fully secure, given the advent of digitisation and advances in technology and AI. The domains that we primarily work in are undergoing fundamental change. We must develop a new strategy to preserve and secure the profession's future.

This will require us to evolve the core syllabus for qualification, with an emphasis on the highest standards of relevance and quality. In so doing, our qualifications will retain our unique value proposition in support of our brand, practice, and reputation, both leading up to and beyond Associateship.

We will seek to include in our education and training new and relevant skillsets that will enable our students and members to work increasingly in newer and diverse fields.

Over time, we want to be recognised as actuaries and analytical problem solvers not only in our core fields but also across a wide range of domains, wherever our unique attributes add value.

Mindsets

As we reposition the profession, we seek to reposition IFoA actuaries: From . . .

- Smart and analytical
- Professional and ethical
- Working in life and pensions
- Specialised, detailed and risk-averse

To...

- o.. Smart and analytical
- p.. Professional and ethical
- q.. Working in diverse fields
- r.. Curious and adaptable
- s.. Growth mindset*

This will mean changing how we target our recruitment, describe and brand ourselves, and orientate our education, personal and professional development (PPD), continuous professional development (CPD), and communications.

There is a perception that actuaries are detailed, risk adverse, and cautious. In many of our roles, these are critical and valued qualities. However, we do not want the world to perceive us only as such, compounded with the perception that we work only in technical silos in traditional fields.

We believe our capabilities as a profession go beyond that. We can lead on being an agent of change. And we can make a significant contribution in the digital transformation of our traditional fields. We want to shift the bell curve of perception so that stakeholders recognise our potential to make a broader contribution. Moreover, in a dynamic environment, it's vital that our profession becomes ever more curious and adaptable, displaying a "growth mindset." Our approach to education and lifelong learning will seek to nurture those characteristics further.

Domains

Whether through choice or necessity, actuaries are moving into spaces beyond traditional fields. While we keep a firm hold in our existing industry domains, we also envisage many future opportunities in less traditional ones: finance, health, technology, consulting and many more. We recognise the rise of AI and data science-related innovation, and how it must shape our thinking as we consider our future.

We also seek to broaden and deepen our presence in diverse geographical domains through relationships with employers, governments, regulators, and other stakeholders to highlight the unique combination of technical skills and professional acumen which actuaries offer. As these organisations work to address the modern world's challenges, both in their local realms and more widely, actuaries are uniquely positioned to contribute to these strategic conversations.

Conclusion

The VSMD strategy along with the Member Value Strategy will be applied internationally in accordance with these overarching principles set by the IFoA Council.

- Relevant and valuable to all members, both now and in the future (10+ years)
- Sustainable in a rapidly changing world
- Providing a valued and accessible member and volunteer experience
- Making a positive difference in the world, significantly contributing to solving the challenges facing society and humankind
- A confident, influential advocate for a global, collaborative profession. We look to the future with confidence.

**Courage, judgement and imagination were added in June 2020.*