

Presidential Newsletter

An interesting morning, full of interest – Jim Laker

The Sri Lankans having just departed and the Proteas about to leave for New Zealand, I deemed it appropriate to open the year with cricket as a theme. Perhaps this will bowl you over!

OPENING STAND

In February 1970, the second test between Bill Lawry's Australians and Ali Bacher's South Africans was played in Durban. The Barry Richards – Graeme Pollock partnership in that test is often referred to as the golden hour of South African cricket. Bill Lawry himself commented that he had never before seen the ball hit so hard by two players at the same time.

Our sessional meetings programme got off to an equally scintillating start, as the Banking and Finance Committee presented their first sessional meeting. Alastair Bye made a presentation on scorecard development and subsequent pricing strategies. The Johannesburg sessional was attended by almost 100 members, while more than 50 were present in Cape Town. I understand that Michael Tichareva and Lee Bromfield have already approached an eminent banker for the Committee's next sessional meeting.

After the Richards-Pollock partnership, Eddie Barlow went in to bat and was dismissed for a single. Upon his return to the dressing room, he said, "It was like going in after the Lord Mayor's show; there was nothing for me to do out there!" A quick glance at the schedule of meetings planned for the year has convinced me that our committees have a much stronger appetite for a challenge. I really look forward to some of these meetings.

THIRD UMPIRE

An anecdote attributed to various batsmen and umpires involves an indignant batsman, who, having been given out leg before wicket, objected, "That wasn't out!" only for the umpire to respond: "Check tonight's paper".

Similarly, we have also "checked the paper"; in this case, the results of the brand audit conducted among our main stakeholders last year. The survey comprised in-depth interviews with 14 individuals, including employers, professional organisations and regulators, and 128 computer or telephonically conducted interviews with stakeholders from various parts of the financial services sector. I would like to thank Estelle Viljoen for having driven this process so energetically and successfully.

A key finding of the survey was that actuaries are respected for their technical expertise, but are perceived to be lacking in certain softer skills, such as communication. Some concern was expressed about our disciplinary process and broader awareness of our long term strategy.

The consolidated findings of the survey were formally presented to Council during its strategic planning session in November last year and have enabled us to adapt our game plan for the next two years.

STAY IN AND SCORE RUNS

Richie Benaud once suggested that a certain batsman's strategy would be to score runs and not get out. Stakeholders indicated that they did not have the same measure of clarity on the **ASSA Vision**. Those who were aware of the vision and were satisfied with it, expressed satisfaction at the incorporation into the vision statement of international developments. Some others suggested, however, that the vision emphasised narrow technical skills, mainly related to risk management, at the expense of emphasising the versatility of the actuarial skills set.

The Stakeholder Board, chaired by Jaco Langner, is in the process of fine tuning our stakeholder strategy. This includes ensuring that the vision and values of the organisation are communicated during interaction with stakeholders. The versatility provided to actuaries by virtue of our broad training will also be highlighted in a separate initiative, which I'll refer to a little later in this newsletter.

WIDE DELIVERY

The 2011 Member Services Survey confirmed that there is room for improvement in our communication with members. The brand audit also revealed that our communication with stakeholders sometimes misses the target. Richie Benaud's description of a throw that went "absolutely nowhere near where it was going" comes to mind.

The Communications Committee, chaired by Joanna Legutko, developed a comprehensive strategy to ensure efficient

communication with both internal and external stakeholders. Related to this is the long-awaited overhaul of the Society website, for which a service provider is now being contracted. We look forward to having one of the best actuarial websites in the world again, as was the case in the second half of the 1990s. I should perhaps also mention that we have budgeted for significant IT enhancements this year. Instead of going into detail here, I leave it to you to be surprised and relieved as these enhancements materialise.

CAPTAIN'S CORNER

The stakeholder survey also revealed interesting views on the ASSA leadership. Respondents regarded the leadership of the organisation as credible and reliable. One hopes that the measure of relief we feel about this is not to be compared with Jo Sheldon's reassuring statement that a brain scan had revealed that Andrew Caddick was not suffering from a broken shin!

Leadership was criticised, though, for not having demonstrated sufficient foresight in managing the transformation of the profession, not promoting a broadening of the scope of actuarial activity and not being efficient in communicating with influential external stakeholders.

The first two issues mentioned in this list are addressed in more detail below. As indicated above, the Stakeholder Board and Communications Committee are putting finishing touches on various initiatives to enhance our communication efforts. Furthermore, the Stakeholder Relations Committee, chaired by Rob Rusconi, is refining ASSA's approach to communication with external stakeholders.

EYE ON THE BALL

It was Lionel, Lord Tennyson, who said that cricket has more in it than mere efficiency: "There is something called the spirit of cricket, which cannot be defined".

The ASSA Transformation Charter, with Explanatory Memorandum, was adopted at the 2007 Convention. As indicated in my previous newsletter, transformation will be a major focus area for Council in the next two years. The Transformation Committee, chaired by Soshan Soobramoney, has been doing excellent work behind the scenes for some time now, and this year will see the first Transformation Newsletter from the Committee.

We shall continue sponsoring the Interprovincial Mathematics Olympiad for High Schools. We received very positive feedback on our support for the Bona Lesedi Mathematics Outreach Programme in Mamelodi, where we have partnered with Pretoria Boys' High and the Catholic Women's League.

In particular, I would like to express my sincere appreciation to Peter Doyle, Nicolaas Kruger and others who have made it possible to revitalise Actuaries on the Move, which may now become a joint venture with the Metropolitan Foundation. I shall keep you informed of progress.

A presidential task team has been appointed to coordinate and drive our various transformation initiatives. I am encouraged by the enthusiasm shown by my colleagues on the task team and look forward to keeping the scoreboard ticking in this regard. We shall obviously collaborate closely with major stakeholders such as the SA Actuaries Development Programme, ASABA and others who are also committed to increasing the number of black actuaries. Related to the work of this particular task team, the Society plans to make a submission, to be driven by the Education Board, on the Green Paper on Post-School Education to the Department of Higher Education and Training as a way of demonstrating the Society's interest in broader issues of national policy, especially those that affect the transformation of the profession.

ARCHIVES

Referring to Michael Vaughan, Mark Nicholas said he had a long history ahead of him.

We are similarly interested in both the history behind and ahead of our volunteers. We are therefore pleased that the facility to confirm the ASSA roles members have fulfilled over the last few years and to indicate their availability for future volunteer roles has now been enabled. These roles are categorised by the structure type (board, committee, subcommittee) and the linked structure names that fall under these. Please log into the member section and add under your details the roles and related periods of time during which you contributed as a volunteer. Members who wish to volunteer to serve on these structures should select "Volunteer Committees" or "Volunteer Subcommittees" under "Structure Type", and then select the relevant "Structure Name". This will not only be of tremendous value in enlisting support for our volunteer activities; it will also help if you have to compile a CV!

SWEEPING THE BOUNDARIES

Describing the Port Elizabeth cricket ground, Trevor Bailey said it was "more of a circle than an oval; it is long and square". Similarly, the versatility of the actuarial training has enabled some of our members to excel in areas not traditionally associated with actuaries. Mike Codron, for example, was the valuator of the retirement fund of a major South African bank a few years ago. Awareness of his statistical and mathematical skills resulted in various topics being raised with him by general management. One of these related to the rewards that could be obtained by clients using their credit cards. Mike compared the fees received by the bank with the value of the various rewards and found a great deal of inconsistency. Purely from a monetary point of view, the bottle of wine reward happened to be the best deal for the customer. As a result of this, Mike came to the following conclusion: the reward scheme was inconsistent, was promoting the drinking of alcohol and was not a good business deal. As a result, the bank closed the scheme.

Other members have used their actuarial training to explore even further, and have successfully ventured into wider fields, leaving

the traditional areas behind them. Council intends to celebrate their achievements by profiling some of them on our [website](#). Please use their activities as inspiration and motivation. If you are aware of anyone who should be recognised for using actuarial skills in achieving success in wider fields areas, please contact wim@actuarialsociety.org.za.

NEW CAP

I have pleasure in welcoming Niel Fourie, who assumed office as Staff Actuary on 1 February. Niel was the best performer in ST 5 (Finance and Investment) of all candidates who sat this UK paper in September 2008. If anyone has any concerns about his age, however, I should remind you that Sachin Tendulkar made his international debut at the age of 16 ... and I need not remind you that Dennis Lillee claimed he needed a helmet for bowling to Tendulkar, as the latter hit the ball harder than anyone else!

MATCH REVIEW

The Damages Committee arranged half-day seminars in Johannesburg on 31 January and Cape Town on 1 February. Each seminar attracted around 35 participants. Mickey Lowther and Robert Koch presented their papers that appeared in the 2011 edition of the South African Actuarial Journal. Highlights of those sessions included debate concerning the application of the Road Accident Fund Amendment Act cap on losses, general professionalism concerns and finer technical details of certain judgments. For actuaries who have never been to court, attorney Candice Pillay's presentation on the Actuary as Expert Witness provided much insight into court procedure and what is expected of actuaries. The seminars highlighted the need for greater interaction between actuaries and attorneys in the field. In this regard, we shall have to follow the approach of Marcus Trescothick who, when asked what he would do about his broken finger, said, "I'll just have to play it by ear".

PREDICTION

Looking ahead can be dangerous, as Fred Truman suggested when he said, "Unless something happens that we cannot predict, I don't think much is going to happen".

We can predict, however, that the 2012 Peter Clark Memorial Lectures will be stimulating and entertaining. Simon Gear, well-known expert on the environment, will share his views on what actuaries can do in respect of environmental issues. Watch out for the invitation!

I think the time has come to declare this innings closed. I look forward to an active year for the organisation.



Kind regards

Themba Gamedze

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President, 2012-13