# **Flourishing in challenging times**

How the actuarial profession can grow, influence and lead in a rapidly changing world

# Introduction

Hello and welcome to you all, and thank you for taking the time out from your busy schedules to listen to my Presidential address.

Although it’s a shame that we can’t be together in Staple Inn, as you all know, online sessions like this are the new ‘normal’ and have the distinct advantage of being easily accessible for many people around the world.

The first thing I want to say is what an enormous honour to be chosen as President of the IFoA, an organisation with a long history, a strong membership, and an ambitious global strategy.

Over the past year I’ve had the pleasure of working on the Presidential Team, helping Council and the Executive to deliver this strategy.

So much has been achieved by the IFoA over this year. We have ridden the Covid-19 pandemic and emerged in a strong financial position. We had over 1,000 new qualifiers in the past year, and we have launched new banking and climate educational offerings. We published our Diversity, Equity and Inclusion strategy and have completed another year of running the IFoA Foundation, a charity focused on raising funds to support our communities.

I’ll bring more colour to some of these achievements later in this address, but suffice to say that I’m looking forward to working with the IFoA team over the coming year as we continue this great work.

The theme of my presentation today is ‘Flourishing in challenging times – how the actuarial profession can grow, influence and lead in a rapidly changing world’.

I’ll come back to that later and talk about why I think it’s important that the actuarial profession continues to grow, influence and lead, and what I’ll be doing in my Presidential year to help.

But before I do that, I first wanted to tell you a bit about me – my career, my personal values and how I came to be President of the IFoA.

## A bit about me

So, a few quick-fire facts about me that should hopefully give you a sense of what’s important to me and what makes me tick.

I’m married to Sue who, after a successful career as an actuary, is now a life coach. Both of her careers can be quite handy to me!

I have two teenage children – George aged 16 and Millie aged 14.

Being healthy and active is very important to me – my big passion being running.

I’m always up for a challenge and for trying new things.

Finally, I follow a plant-based diet, which I do for a combination of health, sustainability and ethical reasons.

## My career

In terms of my career, I’ll start by making a confession. I actually decided I wanted to be an actuary when I was 16 years old. I remember attending a careers day at school and, although it’s a long time ago now, I distinctly recall a tall man, wearing glasses and a grey suit, who from memory I believe worked for the Prudential, talking about what he did as an actuary.

I don’t remember the detail of what he spoke about, but whatever he said clearly left an impression on me as, from that point on, I set my sights on becoming an actuary.

After completing my school education, I attended Warwick University, graduating in 1989 and then, after taking a year out to travel, I secured a job within the insurance practice of a large consulting partnership called R Watson & Sons. This was the start of a 30-year actuarial career that I’ve found hugely enjoyable, at times challenging, but always rewarding.

Things were very different in the early 1990s. I was one of 21 new graduates who started at R Watson & Sons that year, of which only three were female. I was myself in a minority, being one of only a handful not recruited from either Oxford or Cambridge universities.

My first job title was ‘Unqualified Assistant’ – the unqualified part of course being a reference to my professional status, but when I proudly showed off my new business cards to a close friend they commented, “Unqualified assistant, you mean you’re not even qualified to assist!”

And how we did actuarial work in the early days of my career was quite different. Computers weren’t that prevalent, so all of the actuarial calculations were performed by hand on huge paper calculation sheets. These calculations were individually checked, with any errors having to be corrected by deleting the offending entry by carefully scrapping it off with a sharp razor blade – Tipp-ex was not allowed! Ultimately the results would be signed-off by the Partner in charge, who would sign their name in red ink – only Partners were allowed to use red ink, with everyone else having to use black ink!

Suffice to say that I wasn’t a huge fan of calculation sheets, perhaps feeling that my skills were not best employed in this way and so, as computers started to appear on our desks, I spent most of the first few years of my career converting these manual processes onto spreadsheets. The benefits of doing this were huge, both for the business in terms of improving the efficiency and reliability of the

process, but also for me personally as it meant I could focus on the more interesting task of understanding and interpreting the results. There is a lesson here which I’ll come back to later.

I ended up staying at R Watson & Sons for 19 years, although by the time I left it was called Watson Wyatt and is now part of the Willis Towers Watson Group. I really enjoyed my career as a consultant but eventually decided that I wanted a taste of the corporate sector and so in 2009 I accepted an offer to join Aviva. I held numerous roles in my time at Aviva, including CRO and CFO roles, but the majority of my time there was spent as Group Chief Actuary, where I had responsibility for the group’s actuarial capabilities, for the oversight of its life and general insurance businesses and, in more recent years, for the integration of climate and sustainability risks into the group’s risk management framework. I remained at Aviva until earlier this year, when I stepped down to focus on my IFoA commitments, but the 13 years I spent there were immensely rewarding and I learned a huge amount, both as a person, an actuary and as a leader.

## My IFoA journey

I want to briefly talk about my IFoA journey as I believe it is one that may resonate with many of our members and is relevant to what I want to talk about later.

Like many members I was highly engaged with the IFoA while I was studying to qualify. Also like many of our members, once I’d qualified I found myself incredibly busy, building my career, learning new skills and doing really interesting work, with little time, or indeed inclination, to engage with the profession. Over the subsequent two decades I did the standard things like attending conferences to complete my CPD and, where I thought it would be beneficial to my day job, joining the odd working group, but other

than that I had very little to do with the profession, which to me felt distant, detached and, if I’m honest, at times a little intimidating.

This changed for me in 2016 when I decided to re-engage with the profession by standing for election to Council. There were several reasons why I made that decision; certainly work was more under-control and my children were starting to grow up, so I felt that I had the time to do justice to a role on Council. But it wasn’t as simple as that. In the preceding years I came to realise that my values as an individual – fairness, integrity, honesty and trust – were closely linked to those of the IFoA. This led to two drivers for me re-engaging with the profession. Firstly, I felt a strong desire to give something back to the profession, and secondly, I felt an innate curiosity to find out more about the IFoA, how it was run, what were its priorities and how was it serving its members. I was fortunate enough to be elected onto Council in 2016 and was then re-elected for a second term in 2019 before deciding to stand for President in 2021.

I suspect my story up to the point where I re-engaged with the profession is a typical one for the majority of IFoA members. Where my story differs of course is that, for whatever reason, the majority of IFoA members never feel the desire or inclination to re-engage with the profession. I think this is a shame, as I’m sure that many others would find it a hugely rewarding experience and that they are able to add a huge amount of value.

So any of you out there who are on the fence about whether to re-engage, I’d encourage you to take the plunge as I did and see how it goes.

# What do I mean by ‘Flourishing in challenging times’?

So what do I mean when I talk about ‘flourishing in challenging times’ and why is it important that we grow, influence and lead?

Over the past 30 years I feel I have been part of a profession that has flourished. Certainly, the profession has grown considerably over that period, and within our traditional fields we have expanded the work that we do and exerted influence at the right level. As I stand here today, the demand for actuaries has never been higher. My desire is to see this continue to the extent that my successors in 10, 20 and 30 years’ time are able to look back on their careers and feel that they too have been part of a flourishing profession. Of course, the challenges of the next 30 years will be very different to those of the past 30 years, so for this desire to become a reality, and for the profession to continue to grow, influence and lead, we can’t simply keep doing the same things we have done in the past.

Just to be clear, the objective here is not to grow for growth’s sake, but I believe that without growth there is a risk that the IFoA and the actuarial profession will stagnate, becoming less relevant, and thus fail to deliver what is needed for our members and wider society. If this were to happen then our influence will wane, making us less attractive as a profession, both to current and potential future members, as well as employers and other stakeholders, who will look elsewhere for the skills and roles that actuaries currently fill. Finally, I believe it is important that we continue to show leadership on key societal issues, such as intergenerational fairness. As a public interest profession, I believe that we have an obligation to fulfil this role.

Turning now to the challenges we face. I doubt there is anyone in the audience who would disagree when I say that the past two years

have been challenging. The initial shock from Covid-19, followed by the rapid move to working from home, turmoil in the financial markets and, as soon as we seemed to be putting the pandemic behind us, we have the conflict in Ukraine and the biggest cost of living crisis in a generation. These are examples of what tend to be referred to as ‘large world’ problems, but they are challenges that have had a huge impact on the work that we do as actuaries, adding to the longer-term challenges we already faced around climate change and the need to make our society more diverse, equitable and inclusive.

But the challenges do not stop there as, on top of these large world challenges, there are also several smaller world challenges that the IFoA and its members need to consider if the profession is to continue to flourish. These challenges are numerous, but the key areas I will focus on today are as follows:

* The challenge of adapting to a rapidly changing society
* The challenge of our own success
* The challenge of engaging our members
* The challenge of changing false perceptions
* The challenge of regulation
* The challenge of creating the right culture.

## In talking about these challenges, the first thing I want to make clear is that having challenges is not a bad thing. In a changing world, organisations are constantly faced with challenges. This is certainly true of all the organisations I have worked for or advised during my career. What distinguishes the good organisations from the bad ones, is the way in which they deal with these challenges – with the good ones recognising and proactively dealing with them. I’m very keen that the IFoA falls into this category.

## The challenge of adapting to a rapidly changing society

The professions as we know them today are largely a product of the 19th and 20th centuries. Their rise over this period was primarily driven by growth in population, trade and societies, and they were built on the development of knowledge and expertise for which demand spiralled.

But there was perhaps a more sinister side to their growth, in which they were successful in establishing and protecting their position by creating barriers to entry and controlling and limiting access.

When I entered the profession in 1990, the above model was very much the norm. This created a strong expectation that, if I could overcome these barriers to entry – essentially passing some pretty tough examinations – I would be able to practise as an actuary for my entire working life. This seemed like a reasonable deal and I duly made the necessary commitments and sacrifices to qualify as a Fellow.

But times are changing, causing all professions to ask themselves what role they have in the modern world and how they need to adapt to fit this new role. For example, there are several reasons why I don’t think my experience will hold true for the next generation of actuaries. Firstly, in recent years we have seen the rise of the so-called semi-professions where qualification and practice are less well defined. The best example of this are data scientists. The barriers to entry for these semi-professions are much lower than for the traditional professions, and so, in a world where we are conditioned to want instant gratification, they are perhaps more appealing to those deciding on their career choice in the 21st century. There are also threats to the traditional professions arising from inevitable advances in technology such as artificial intelligence and machine learning – the so-called 4th industrial revolution.

In this context I ask myself the obvious question: if I were looking to embark on a new career today, then how would I view the

proposition that I faced 30 years ago? In particular, would I be comfortable studying my professional examinations for five-six years to become an actuary, in the knowledge that by the time I qualified things could have changed dramatically and with no certainty that those exams will guarantee me a job for life? I also ask myself what employers want. Will they continue to be comfortable investing in the careers of actuarial students, and do they really need all of their actuaries to be Fellows?

I appreciate that’s quite a controversial comment for the President of the IFoA to make, but my own feeling here is that, while there will always be demand for Fellows, for many employers, particularly those in non-traditional fields, the Associate level qualification will be sufficient. This was certainly true of my Chief Actuary role at Aviva where many of my team were not Fellows, and some had no actuarial training at all – they were just bright, numerate, analytical individuals who were very good at their jobs.

So how do we address the challenges posed by a rapidly changing society?

Well, firstly we need to be clear on the role the IFoA plays in the provision of actuarial skills to the employment market. In my opinion, while the IFoA clearly has a role in promoting actuarial services and in stimulating the demand for actuaries, we cannot and should not seek to dictate this demand. That is the role of the employment market and our members. The role of the IFoA is to respond to these changing demands, support our members, and make sure the supply of actuaries is sufficient, while also maintaining the integrity of the actuarial qualification by keeping standards high. For example, if the market is demanding that we supply more Associate members, either because that is what employers want or because our student members become more comfortable with this as a destination qualification, then the IFoA’s

role is to respond to these demands. If we fail to do so, then surely employers and students will look elsewhere.

The IFoA and its members, particularly its Fellows, should not see this as a threat or in any way diminishing the kudos of the Fellowship qualification, which I believe will remain the gold standard, with demand for Fellows remaining high.

To meet this challenge the IFoA has recently set up a programme of work to ensure that the IFoA has a membership model that is fit for the future, retaining and attracting actuaries to meet the demands of a rapidly changing society, and providing the right services at a fair cost to our members. I believe we need to put everything on the table, challenging ourselves to answer questions like i) how we think the demand for Associates and Fellows will evolve in different domains over the next decade ii) what impact this will have on the profile of our membership, and iii) how we should collaborate with non-UK actuarial membership bodies, adjacent professions and semi-professions to further our interests.

Having answered these questions, we need ensure that our membership model is set up to be sustainable in this changing environment, delivering what our members and other stakeholders need, and being transparent with our members about what services they are getting and how much they are being charged for them.

Finally, while we need to be responsive to what our members and other stakeholders need, we should not be shy about what we have to offer and should not allow ourselves to be intimidated or marginalised by emerging competitors. We are the IFoA, an organisation with a long and rich history which we should be proud of and prepared to fight hard to retain.

## The challenge of our own success

The first pillar of the IFoA’s current strategy is to reposition the profession, a key part of which is the desire to move our members into wider fields. This has been an ambition of the profession for as long as I can remember, but it is a challenge that we have consistently failed to achieve.

So why is this? Why are the overwhelming majority of our members still employed in the two fields of pensions consulting and insurance?

Well, the simple truth is that at the current time, there is no burning platform among our membership to reposition the profession. For as long as I can remember, actuaries have been in short supply, and this continues to be the case today. That is what I mean when I say that the actuarial profession is the victim of its own success.

Within our traditional strongholds of pensions consulting and insurance there is more than enough work to keep our current and new members busy. This high demand for actuaries is driven by many things, including ongoing regulatory changes in the insurance sector and the continued drive to buy out defined benefit pension schemes in the UK.

But while demand in our traditional fields is likely to continue for the foreseeable future, I’m far from convinced that this will be the case forever.

For example, eventually we will start to run-out of defined benefit pension schemes to buy-out and, as I touched on earlier, there will be an inevitable automation of insurance company processes through the introduction of artificial intelligence and machine learning techniques. Both of these changes will most likely lead to a reduction in the demand for actuaries in our traditional fields.

Now don’t get me wrong, I am not expecting to see a material shift in the demand for actuaries in the next couple of years, or even perhaps the next decade, but it is likely to happen within the careers of many of our current members, and almost certainly within the working lives of those who are just starting out in their careers.

In this context it would be naïve of us to think that these changes will not require the actuarial profession to adapt and transition, and it is essential that we start to plan and think about these issues now.

The dilemma we face is that although we believe this change will happen, as I noted earlier, our members are currently fully occupied and so there is no burning platform for them to consider changing roles. We have an imbalance in supply and demand, with the IFoA essentially seeking to supply services for which the demand does not yet exist within our membership.

The most obvious example of this is climate change where I believe the opportunities for our members are huge, spanning all sectors including our traditional fields. But the world won’t wait for actuaries to move into these new domains when it suits us. If we don’t move quickly then, in a similar way to the recent rise in data scientists, others will surely move in and seize the opportunity from under our noses.

So how do we make this change? How do we ensure that actuaries get a fair share of the action at a time when our members are fully occupied, and ensure that they don’t miss out on what I believe are some fantastic future opportunities?

Well, a great example of where this has worked well in the past is in general insurance. When I entered the profession there were very few actuaries working in general insurance. But our members saw this as an opportunity, moved in to fill the space and the IFoA adapted to support them. If we look at our membership today, we

have almost as many actuaries working in general insurance as we do in life insurance and pensions consulting, and it is one of the strongest growing disciplines within the profession. This is a huge success story.

Building on this example, the key point I want to make here is that, as with the move into general insurance, for actuaries to be successful in new fields such as climate change, it will take effort from both the IFoA and our members. This has to be a partnership.

As I’ve discussed already, the IFoA has a key role to play on the supply side, continuing to develop our examinations and lifelong learning and broadening our offering, building on initiatives such as the launch earlier this year of the IFoA’s Climate Risk and Sustainability course, and the formal accreditation of the ASSA’s online international modules in banking. As I noted earlier, the IFoA also has an important role to play in raising the profile of actuaries and stimulating demand for their skills, particularly with new employers.

But that is only half of the story, as to fully exploit these opportunities, we need our members to actively seek them out. The reason actuaries moved into general insurance was not because roles were drying up in life companies, it was because a few innovative pioneers saw an opportunity which they then exploited. As these pioneers thrived, others followed and the rest is history. I believe the same will be true for climate change and for other new fields, but this will only be the case if both the IFoA and its members seize the initiative.

This partnership model between the IFoA and its members is what the profession has always used. It has proved very successful in the past and I believe will continue to serve us well in the future.

## The challenge of engaging our members

Within the walls of Staple Inn, a huge amount of work has gone into developing our member value proposition over the past few years. However, we have been somewhat cautious in communicating our plans and the output of this work to our members. We know for a fact that many of the changes we are planning to make, such as the introduction of a Chartered designation for Associates and Fellows, are viewed as threatening by some of our members. At the other end of the spectrum, many of our current and potential members view the IFoA as being slow and cumbersome. There is also a sense from some sections of our membership that they are being neglected or taken for granted by the IFoA. Whether or not we agree with them, we need to embrace these perceptions, and while it is impossible to keep everyone happy all of the time, we need to ensure that we are clear on what we are offering to our diverse membership and ensure that this represents good value to each of them.

A few facts about the IFoA’s membership:

* The IFoA’s total membership has grown by more than 10% over the past five years
* The IFoA has over 3,500 active volunteers
* In the last Council elections less than 2,000 of our members voted
* 12.5% of our members took part in the most recent membership engagement survey in the autumn of 2021
* Our recently launched Sustainability Hub has received around 1,800 visits since its launch in November 2021.

I ask myself how I feel about these figures. I certainly feel pleased with how the IFoA has grown over the past few years and am very proud of the volunteer structure we have in place.

On the other hand, I can’t help feeling that the response rate on our membership survey is low. Similarly, I feel somewhat disappointed by the small number of members who vote in Council elections, and the relatively low engagement rates for some of our thought leadership initiatives. From the numerous conversations I have with members, my feeling is that the reason so many of our members are not actively engaging with the profession is not because they are harbouring any strong resentment against the profession, it’s just that, on their ever-increasing to-do lists, the IFoA is not a priority for them and they don’t see, or perhaps are simply not aware, of what the IFoA can do for them. This is certainly how I felt in the 20 or so years where I was disengaged from the profession.

As demonstrated by the second pillar of our strategy – ‘Transforming the membership experience’, the IFoA is very focused on changing this situation. But we should not assume or expect that members will engage with us just because we want them to. There needs to be a reason for them to do-so. The IFoA has to be offering them something that they need. This was the thinking behind the member pledge, and what drove recent initiatives such as the ‘New World, New Thinking’ campaign, when the IFoA announced that all online seminars would be free to our members. I mentioned earlier that the IFoA launched its Diversity, Equity and Inclusion (DEI) strategy in January, reinforcing our commitment to champion and embody the benefits of a globally diverse and inclusive profession and to not tolerate discrimination in any form. Finally, some of you will hopefully have noticed the new, more user-friendly, IFoA website which we launched in March, and new members will be benefitting from the streamlined online signing-up process.

In addition to the above initiatives, I would also note the promise made at yesterday’s AGM to keep subscription fees flat for another year, and that in real terms subscriptions have reduced by over 20% during the past decade. In the context of the ongoing cost of living

crisis, I think it is great that we are able to offer this commitment to our members.

Time will tell whether the above initiatives move the dial. I am optimistic that they will, but either way it’s clear that we need to do more, and so the IFoA will continue to listen to its members and will remain committed to making further changes to improve the membership experience. While we need to be realistic about what can be achieved, I am confident that if we continue to do the right things and are open and transparent with our members, then over time we will see a continued shift in membership satisfaction and engagement.

## The challenge of changing false perceptions

One of the frustrations of my career so far is my continued inability to articulate in a succinct, engaging and clear manner what I do for a living.

I’m sure like me, having told someone that you are an actuary, many of you will have been greeted by a blank look, or if you’re lucky an entertaining comment like, “Ohh an actor that’s interesting, what films have you been in?”. While the reasons for this lack of understanding are clear – our profession is small, niche and technical – the work we do impacts on nearly every member of the public in some shape or form, and so it’s disappointing that we have such a low profile, seemingly raised only when major negative events occur.

The example I’ve just given highlights a wider challenge around how the profession and its members are perceived by external stakeholders. The most material of these is I think caused by a misunderstanding of what actuaries do. To demonstrate this further, if you type ‘actuary definition’ into Google then the response you get is:

“Actuary: a person who compiles and analyses statistics and uses them to calculate insurance risks and premiums”

Now, while it is true that actuaries do this work, this definition feels more like something you would have come up with if you were defining what actuaries did in 1848, when the Institute of Actuaries was first established.

Of course, we all know that these days actuaries do far more than this, but do others? And by ‘others’ I mean all of the key stakeholders that we should be looking to influence as individuals and as a profession. These include employers, regulators, policymakers and the wider public.

Taking one of these stakeholder groups as an example, while we have a really strong profile with the current large employers of actuaries, we are virtually unknown by employers outside of the financial services sector. This is such a shame as there is so much value we can add in these wider fields, if only we could raise our profile and change these perceptions.

So how do we go about changing these perceptions?

I believe we need to be clearer on who we are, what we do and the value we can add. To achieve this we need to be bolder and more confident in ourselves, both as individuals and collectively through the IFoA. This in turn requires us to push ourselves outside of our comfort zone, for example, linking back to what I said earlier about the role of the IFoA in stimulating demand for actuarial skills, we need to spend much more time talking to potential future employers of actuaries about what actuaries can do for them. Although challenging, if the profession is to continue to flourish, then I believe this is essential

We also need to more visible in the press and wider society, expressing strong views and exerting influence at the right level on

the relevant issues of the day. I know that many members feel we are less influential than in the past. This is of course a subjective judgement, but what I would say is that this is not due to the IFoA or its members being less active than in the past, after all the profession has doubled in size in the past 10 years and is now producing more thought leadership output than ever before, for example we ran 233 webinars in the last financial year. I think the challenge we have is that we are now competing in a much more crowded space than in the past, and in this environment it’s more challenging to get heard and differentiate ourselves.

Notwithstanding these challenges, it is essential that our voice is heard. A great example of where this has worked well was seen during the Covid-19 pandemic, with the pandemic shining a light on the work of actuaries. The IFoA created the Covid-19 taskforce and provided regular updates on the impact of the pandemic. This is one example of our thought leadership, but there are many more, including our COP26 engagement and response, and our work on the Great Risk Transfer and the Insurance Poverty Premium.

We need more of this great thinking, which we need to tailor to the needs of the different stakeholders. One size does not fit all! More broadly we need to keep pushing ourselves to change false perceptions about who we are and what we do.

Wouldn’t it be great if in a few years’ time we received a different reaction when responding to the question of what we do for a living or, dare I say it, a more accurate description of what actuaries do from Google.

## The challenge of regulation

When I talk to colleagues about the profession, probably the most emotive subject is that of regulation.

In particular, I know that many members have a strong sense that they are subject to too much regulation. Sadly, there is no easy answer to this. As a profession that was established under a Royal Charter that requires us to act in the public interest, it is essential that the IFoA has the necessary infrastructure in place to ensure that our members act professionally. Rightly or wrongly, wherever you look in society today regulation is on the increase and the actuarial profession is not exempt from this trend.

I have been a member of Regulatory Board since 2018 and believe we are striking the right balance here, applying regulation in an appropriate and proportionate manner. Most importantly we have listened to feedback from our members and reflected this in areas like the new outcomes-focused CPD scheme, for which we have received very positive member feedback, and the soon to be introduced revised Practising Certificate (PC) renewal process.

But as you will all be aware, regulation of the IFoA and its members is not solely within the gift of the IFoA. In particular, responsibility for setting the Technical Actuarial Standards (TASs) and for oversight of the IFoA sits with the Financial Reporting Council (FRC). This brings me to one specific area of regulation that I would like to flag, which is the ongoing BEIS review of UK corporate governance. Part of this review looks at the way in which the IFoA and its members are regulated, raising challenges around whether this regulation is both broad enough and deep enough.

Although very UK focused, I can’t overstate the importance to the IFoA and all its members of ensuring that this review reaches an appropriate conclusion. For this reason the Executive, together with a group of senior volunteers, have been working hard to lobby for what we believe to be an appropriate outcome.

As you would expect, this lobbying has required us to be strong advocates for our members, promoting a robust but balanced

approach to regulation of the actuarial profession, in the public interest. In particular, we have argued for a regime which is risk based and targeted, effective in protecting the public without stifling competition or creating regulatory arbitrage. We encourage members and their employers to engage with these important proposals for the future of UK actuarial regulation.

While there is still some way to go, the good news is that recent announcements seem to suggest that this lobbying has been successful and that the powers that be are listening to our views.

That is all I wanted to say about regulation, but hopefully this provides you with comfort that we are focused on ensuring that the regulation of the IFoA and its members remains proportionate

## The challenge of creating the right culture

Throughout my career I have witnessed the importance of organisations having the right culture. This is the final challenge I want to talk about before wrapping up my address.

A past criticism of the IFoA has been that we have perhaps not had the right culture. In particular, some would claim that the IFoA has been too focused on its commercial activities at the expense of member services. As I noted earlier, others would say that the IFoA is too slow to react and that things take longer than they should do. These concerns were recognised by Council when developing our current strategy, and led to several important initiatives, one of which was the development and publication of the IFoA’s purpose and values.

The IFoA’s purpose is ‘To be the voice of actuaries, and to support, develop and be the voice of its members’, and supporting this purpose are four values, encouraging the IFoA and its employees to be i) Member-focused ii) Action-oriented iii) Forward and outward-looking, and iv) Team-driven.

Good progress has been made in embedding the purpose and values throughout the organisation, as evidenced by some of the initiatives I covered earlier. But we are still only part-way through the journey and there is more work to do to take the purpose and values from being mere words on a page to the mechanism which defines our culture and drives us to become a more dynamic, efficient and member-focused organisation.

Having the right culture, supported by strong governance and capabilities is not a choice, it’s a fundamental requirement and allows an organisation to build on solid foundations rather than on sand. If we don’t get this right then it will be impossible for us to meet the various challenges that I’ve discussed during this address.

# Conclusion

Hopefully, over the course of this address I have given you a flavour of what I consider to be the main challenges facing the IFoA, and how we are addressing them. By way of conclusion, if I were to summarise what I believe needs to happen to address these challenges then I would say that we need to:

* Recognise and adapt to the changing needs of society, our members and other key stakeholders
* Facilitate demand for actuarial skills in new domains and work in partnership with our members to take advantage of the opportunities created
* Raise the profile of the profession and continue to produce engaging thought leadership content
* change the false perceptions that exist around who we are and what actuaries do; and
* Ensure that the level of regulation to which we are subjected is proportionate, so as not to stifle our ambitions.

Underpinning the above is the need to create the right environment and culture to support our members.

Unlike many previous IFoA Presidents, I do not intend to have a theme for my Presidential year. There is already plenty for the Executive and their teams to be getting on with. Instead my priority as IFoA President will be to do everything in my power to support the IFoA in delivering its current strategy. This is a strategy which as a member of Council I helped to develop, and I believe is the right way forward.

To this end I plan to proactively engage with the IFoA’s myriad of stakeholders and ensure that we hear and act upon their feedback. As we finally emerge from Covid-19 restrictions, I hope to be as visible as possible, particularly with our most important group of stakeholders – our members.

As has been the case for all the senior roles I have held during my career, I see myself as a temporary custodian of the IFoA Presidential role. With this in mind, as was the case with all my previous roles, my ambition is to leave things in better shape than when I found them. I will let others decide in a year’s time whether they think I have achieved this, but I will finish by going full circle and refer back to that actuary wearing glasses and a grey suit who visited my school in the mid-1980s. In particular, from my perspective, if my term as President results in a handful of people entering the profession who would not otherwise have done so, then I will consider that a success. And who knows, maybe in 30 years’ time one of them will be stood in front of the next generation of actuaries, giving their Presidential address.

Thank you for your time.