

# **International Congress of Actuaries**

**Cancun, Mexico**

**March 18, 2002**

# About Hewitt Associates

## Global Actuarial, Administrative, Consulting Firm

- 14,000 associates in 30 countries; 1,800 providing actuarial and other retirement-related consulting
- Largest area of growth has been in administrative/outsourcing area
- Key business focus is growth of global capabilities
- Significant people growth in Europe
  - *Including merger with Bacon & Woodrow*

# Major Trends Affecting Our Business

- Greater importance of expensing (P&L) over funding (cash)
- View of “pensions” as component of total compensation
- Shift from regulatory compliance to risk management
- Importance of nondomiciled liabilities
- Movement to defined contribution plans

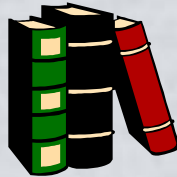
# Role of the Actuary: The Core



Analytic  
Detail-oriented  
Deep technical knowledge  
Financial background  
Strong communicator  
**“The Expert”**

# Role of the Actuary: Future Growth

*Content  
Knowledge*

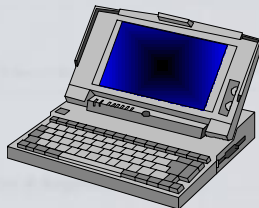


*Business  
Acumen*

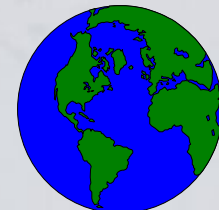


Analytic  
Detail-oriented  
Deep technical knowledge  
Financial background  
Strong communicator  
**“The Expert”**

*Technology*



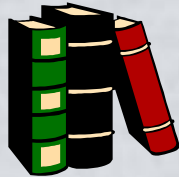
*Globalisation*





# Role of the Actuary: Future Growth

***Content  
Knowledge***



***Broader focus:  
pensions-->  
retirement-->  
benefits-->  
compensation***

Analytic  
Detail-oriented  
Deep technical knowledge  
Financial background  
Strong communicator  
**“The Expert”**

***Creating end-to-end  
solutions***

***Understanding  
complex corporate  
restructuring***

***Aligning program  
designs to client's  
workforce issues and  
business strategies***

***Increased understanding of client's  
business, industry, and strategies***

# Role of the Actuary: Future Growth

*Understanding clients'  
business and financial models*

*Project management  
skills; working in  
multicultural  
environments*



*Business  
Acumen*



*Increasing need for  
selling skills, as well  
as excellent delivery*

*Evaluating and communicating  
choices/risks--> then making a  
recommendation and standing  
behind it*

*Becoming a  
strategist/advisor, more  
than an analyst*

# Role of the Actuary: Future Growth

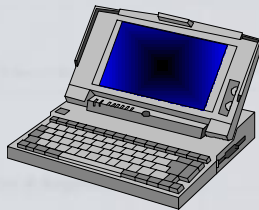
*Using technology as consulting tool  
vs. back-room number-cruncher*

*Less need for  
actuaries to  
utilize basic  
actuarial math*



*Using technology as  
a differentiator in  
sales situations-->  
need for “flash”*

**Technology**



*Increasing ties with program  
administration, and need for  
cost-effective tools*



# Role of the Actuary: Future Growth

*Need for understanding of global organisational structures and decision-making*

*Secondments commonplace; actuaries more “interchangeable” among countries*

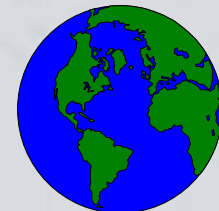


*More complex projects to manage*



*International accounting rules level the field*

***Globalisation***



# Actuaries of the Future

- **Business advisor**
- **Salesperson**
- **Strong client relationship builder**
- **Interpreter of complex information**
- **Generalist as well as technician**
- **Strong project manager**
- **Continued need for certain specialists**

