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Less calculating, more collaborating: Meet the "exponential professional"

Host: **Darryl Wagner**, principal, Exponential Professional leader, Deloitte Consulting LLP
David Mallon, vice president and chief analyst, Bersin, Deloitte Consulting LLP

Guests: **Shawn Loftus**, senior vice president and chief actuary, USAA Life Insurance Company
Rob Dicks, principal, Human Capital Finance Transformation global leader, Deloitte Consulting LLP

David Mallon: New technologies like artificial intelligence, robotics, automation, machine learning—as these become more entrenched in the way work is done, people have opportunities to evolve their roles in new ways as well. These exponential professionals work with technology to become more adaptive, more innovative, more strategic. To kick us off, our first guest today understands this transformation well. Shawn Loftus is the chief actuary and senior VP of USAA Life Insurance Group. Actuaries are a great model for the potential of technology to change the nature of jobs and professions exponentially, and for the better. Later, we'll expand the discussion with my Deloitte colleagues, Darryl Wagner and Rob Dicks, who will discuss opportunities for professionals to expand their roles in similar ways in different industries and how people in organizations can prepare for an exponential future.

Darryl Wagner: This is Darryl Wagner. I'm a principal with Deloitte Consulting and lead Deloitte's Exponential Professional market offering. And I'm very pleased to be joined

today by Shawn Loftus. Shawn is the chief actuary and senior vice president of USAA Life Insurance Company, as well as a fellow of the Society of Actuaries and member of the American Academy of Actuaries. Shawn, welcome to the Capital H podcast.

Shawn Loftus: Thank you for having me, Darryl. It's a pleasure to join you.

Darryl: Shawn, to get us started, could you tell us a little bit about your role as chief actuary at USAA?

Shawn: Sure. I have responsibility for all the traditional actual domains like pricing, re-insurance, ALM, experience studies, modeling, but over the last couple of years I've also been asked to take on responsibility for the underwriting innovation and policy group, as well as the data and analytics group. And it's really been the idea of combining these domains that has opened my eyes to what Deloitte has been referring to as this exponential professional concept, or in this case, for me, it would be the exponential actuary.

Darryl: That's great. Can you share a little bit more about what does the exponential professional mean for the USAA actuarial organization?

Shawn Loftus: I love the term because I love this idea of being able to have a greater impact. And I see a couple of major ways for that to happen. First, the obvious one of just directly harnessing the best and current technologies, techniques, processes. That's the obvious one. But what I've really learned over time is this idea of more effectively partnering with other disciplines to amplify what we do as actuaries.

Darryl: Shawn, you mentioned technology. To dive a little deeper into that subject, as we think about the future and what we're thinking of as the exponential workforce, there certainly is a heavy reliance with that on integrating new technologies. How do you see those technologies affecting your actuarial function at USAA, thinking about machine learning, predictive analytics for data science, robotic process automation, and more cognitive technologies, such as natural language generation or processing?

Shawn: Yeah, I can give you several examples there. RPAs, you mentioned robotic process automation. We have a group at USAA that'll come in and they'll look at your process, and basically there's a good fit whenever you have a highly repeatable process, which actuaries do a lot of that. They can come in and build little algorithms or bots, they're called, to do these processes over and over. And they're pretty sophisticated, can jump between applications and do a lot of complicated steps, as long as it can be essentially translated in some kind of an algorithm, they can do that. The obvious implication there is you're freeing that person up now to spend their time doing higher-order things.

But the interesting thing that I learned when we started doing this is, when these teams come in, they will take what was a user-defined, highly manual application or process, and they will not only automate it, but they're going to pull it into a controlled environment, they're going to put all kinds of controls around it, and now I've taken what was very manual and full of risks and not only did I get the efficiencies, but I get the risk reduction. That was one of the greatest insights for me on RPAs.

You mentioned things like machine learning. We also added the data science group into my organization. That has been a huge eye-opener for me, and learning the data science, and not just data science, but data architecture, data governance, the whole profession, very distinct discipline from actuarial science, and there's certainly a lot that I think that actuaries can learn from these disciplines.

I'll give you an example. We asked them to come in and review our modeling process because we knew that we wanted to get a better end-to-end automation, and they came in and they identified some pretty significant opportunities to improve the architecture of our data, how we process data, how we store it, the governance around that. And so what we're going to get as a result of this is not only an end-to-end automation, which is what we thought we wanted so we can spend a lot less time being data wranglers and more time doing high-level analysis, but what we also got was this tremendous risk reduction and efficiencies in the process of having the data and the processes structured properly.

And then of course, whenever you think about data, once you get it structured, well, that's when you can start to do the really cool gee-whiz stuff of AI and whatnot. You've got to be working from a strong data foundation, and so we got that.

The other thing that I learned, you've got the data scientists, the data architects, and the governance folks, and also they have agile teams attached to them so they can get the work, the IT work, done that they need to get done along with their particular disciplines. And then when you combine that with the actuarial expertise, the result has been incredibly powerful in terms of the exponential aspect of the work we do.

And I could give you one more underwriting innovation. We also added in the underwriting policy and innovation team not too long ago, and that has helped accelerate our big data underwriting journey. We are using big data models like everyone else is, but we have a particular belief that the future of big data underwriting is in medical big data, and so we have invested a lot of our resources going down that road. We were the first in the market with capabilities to be able to pull in electronic medical records into our production process, and now we're working on the technology to be able to auto-decision off of those EMRs. And so whenever you're talking about taking highly unstructured data like medical records and trying to make it into a structured data set, that's a great opportunity for natural language processing, machine learning are common techniques that you need to use to accomplish that. And that's whether or not we're going to put it into an auto-decisioning process or even into a more traditional process. There's still great opportunities to take those medical records

and structure them and condense them so that an underwriter, rather than going through hundreds of pages of records, can go through something that's very condensed and reduce the cycle time and the human error. It's kind of like the exponential underwriter concept.

Darryl: I love the story, Shawn. You're not only increasing efficiency through automation, but you're driving additional value, whether it's by reducing risk or fundamentally having an impact on the business, as with the underwriting examples you've talked about. And to me that brings out the two-part message around this future of work, which is about the additional value that actuaries and other professionals, other workforces, can create. And that's the truly exponential part.

If we shift toward talking about the workforce itself, the people in your organization who are doing these different kinds of work, certainly there's impacts on them as well. How do you see your actuarial workforce at USAA evolving over the next, say, five to 10 years?

Shawn: I think that, first off, obviously actuaries are going to continue to need to harness new technologies, new skills. So if you're talking about visualization, using tools like Tableau and other visualization tools, or if it's along the route of high-level analysis, harnessing tools like R or Python, we're going to have to continue to develop those skills. But the thing that's really been the eye-opener for me is just this idea of developing stronger partnerships with key professionals like data scientists, like underwriters. And being more closely aligned in a team environment has really accelerated that partnership. And so I think it's great that actuaries . . . When you do that, actuaries are going to acquire some of those skills, some of that is going to rub off, some of the data science, data governance, architecture, underwriting skills will rub off on us. But it's equally as important to know when it's time to phone a friend, if you will, to bring someone in who is really deep in a certain aspect.

And so rather than building it ourselves, to bring someone in who's an expert, for instance, in structuring data or in the governance of that data and building a better process, I think that is another avenue to getting truly exponential results.

Darryl: Yeah, and that partnership itself and business partnering, I think, is part of that broader skill set you referenced to. Just a quick follow-up on that, Shawn: As you see your organization partnering more with other parts of the business, how has the reaction to that been from those other groups? Do you see that having an impact?

Shawn: So, I think there's several benefits there. When I think about it from my group side, I think there's a pleasant surprise, if you will, of being exposed in a closer way to these other disciplines and realizing the benefits that are there. And the same thing is on the other side of the folks who haven't been exposed to what actuaries do and then learn that, and very positive. And that forms that partnership quicker, and the results are better. But also, of course, the other aspects or other parts of the organization, they clearly see the benefits because of what we've been able to accomplish. And at the end of the day, it's the results that speak, and that has been very evident to everybody of what we've been able to accomplish working together with these new technologies, but also combining these disciplines to be just more effective.

And then maybe if I could build out a little more on what I mean by developing stronger partnerships, because I think sometimes actuaries struggle with some of those aspects. One thing is just what I was referring to that we did is this idea of proximity, just getting yourself in the same space with some of these professionals. And if you're not able to find yourself actually in the same organization or co-located, then I think it really gets into being intentional at that point, literally planning on it, scheduling time to interact with these professionals, ask questions about what they do and, probably more importantly, how they do it so you start to learn the skill sets that they have. It also involves, frankly, sometimes just moving out of your comfort zone and getting in there and interacting with these groups. As I said, you know, proactively doing it, being very intentional. And this idea that we will be stronger together than we are apart. Once you kind of really get to see that in action, it'll be a lot easier to do it. But at first you've just got to be intentional. And I think one of the biggest things is, we are all so busy, the tyranny of the urgent, there's so much going on and it's hard to build time to meet others and get to know what they do more, but the benefits of it are truly significant when you take the time to do that. And so I would encourage everyone to take the time to be intentional and partner with some of these other disciplines.

Darryl: It's clear you've made a lot of progress and are having a lot of success, and I know there's more of the exciting journey to come. I want to say thank you, Shawn, for joining us on today's podcast and sharing the future of work journey that you and the folks at USAA are on.

Shawn: Thank you for having me, Darryl. I appreciate it.

David : Our thanks to Shawn Loftus, chief actuary and senior vice president at the USAA Life Insurance Group, for sharing some of the specific ways the actuarial profession is evolving to become exponential and add new value to their organizations. Next, we will hear from Deloitte Consulting leaders Darryl Wagner and Rob Dicks, who will share their insights into the exponential transformations happening in the actuarial profession and beyond, as well as discussing what people and organizations can do to be ready to make this shift.

Welcome back to Capital H. To be exponential . . . sounds kind of intriguing, doesn't it? Well, it's a word that we're beginning to use to describe what is happening in certain fields, certain jobs, with the advent of new technologies like AI and automation and so on. And joining me to discuss what this means is Darryl Wagner. Darryl leads Deloitte's Global Actuarial & Insurance Solutions practice.
Welcome, Darryl.

Darryl: Thanks, David. Happy to be here.

David: And also joining us is Rob Dicks. Rob is our global leader for Human Capital Finance Transformation. Welcome, Rob.

Rob Dicks: Thank you.

David: So let's dive in. We just heard from Shawn about how technology is transforming the actuarial workforce and potentially what an exponential actuary might look like. But let's go a bit further. What do we mean by this? What does it mean to be an exponential professional based on your experience in the industries that you work with? Darryl, why don't you kick us off?

Darryl: Yeah, David, exponential to me, as we think about the exponential actuary or other professionals, exponential professionals is really about helping these professionals and the organizations and stakeholders they serve achieve their full potential, or at least come closer to achieving their full potential. And one of the ways—as we've coined this phrase—one of the reasons behind it is leveraging exponential technologies, new and emerging technologies. But it's about much more than that. Workforce options, the way we think about skills, and I'm sure we'll talk about some of that. But to me, the more exciting part of it is the other meaning of the word "exponential," which is exponentially increasing the value that these professionals can contribute to the organization.

And I think that also translates into the value of their own career and the meaning that they find in that. It's an aspirational vision, but that's really how I think about it in terms of what we mean by becoming an exponential professional.

David: Rob, what would you add to that?

Rob: Yeah, it's been interesting watching over the last couple of years because we've been using the exponential term on both the technology side and it's good to hear it now on the workforce side. As we think about the exponential technologies taking root in finance, whether it's natural language processing, natural language generation, or the more common ones that we're talking about around RPA and cognitive, it's changing the way that finance organizations get work done. I'll use Work with a capital W there, it's changing the way that Work gets done. These types of conversations for me are exciting because it brings in the discussion of how the workforce needs to change and how the workplace needs to change to get work done in that fundamentally different way.

David: What are some of the emerging technologies or tools that organizations can use to transform the work, to push us forward towards being exponential? Rob, do you want to kick us off?

Rob: Yeah, for sure. So we've seen a curve and a sort of a stair-step on these exponential technologies. Robotic process automation, or RPA, is a concept and a technology that's been around for 40 years, but the adoption in our businesses, our client base, has really picked up over the last few years. That's the capability to take material coming out of multiple areas, bring it together in a much more automated way. Again, the technology isn't new, but because of computer processing and speed and availability, much, much more impactful in the organization.

Now as they start to ramp up that curve, you go from things like RPA to cognitive machine learning, using that information to identify patterns. Now you're starting to eclipse just doing human work faster with bringing in pattern recognition. If you continue to go up that curve, natural language processing and natural language generation, taking massive amounts of data and using the computer to just sift through and understand and generate reports. All of that is supported by a move to cloud technology. Those are the six that we spend a lot of time talking with clients about, and each requires a slightly different workforce composition in order to be used effectively.

Darryl: Yeah. And, David, I would just add to that. The use of technology is not a new concept, and I'll go to my own personal practice area of actuarial. Actuaries have leveraged technology for modeling and projection work for many years to a great degree. And I think what we're talking about here is changing the viewpoint on that in a couple of ways. One is looking more end-to-end at the actuarial process or any professional process in terms of where technology can assist, not just in the core area of practice, but all the way, whether it's from "how do I begin a process to," "how do I communicate document," and that's one.

And then number two is, because of that broader view of the process, also taking a much broader view of applicable technology. Not just looking at actuarial technology, or in the case of HR or HR technology, for instance, but looking at any kind of technology really that could assist the work that's being done. That's what makes this exciting. And that also means it's important to have the right team in place because the professionals themselves probably don't have enough knowledge of possible technologies out there. So it's important that they team up with technology experts who can bring that point of view so you get the right matchup between technology and the machines that can do work and the work itself.

David: Rob, on that point that Darryl just made, you mentioned earlier that this is causing us to rethink the composition of the workforce itself. What does that look like? What kind of new people do we need to make this shift from a traditional workforce to an exponential workforce?

Rob: Let me take that at a couple of different levels. At the more general workforce and employee level, finance organizations—and we've tracked this through reviewing over a number of years what job descriptions look like—what finance organizations are hiring for, typically started with a couple of professional degrees, CPA, accounting major, etc. That was the bulk of the workforce, specialized workforce that sat within the finance function. What we're seeing now in conversations with executives and backed up by the hiring and recruiting data is that the workforce is getting more diverse in

terms of skill sets, more diverse in terms of generations, and more diverse in terms of racial, ethnic, and gender backgrounds.

The type of skills that finance organizations are recruiting for now include both those accounting professionals, but also include the technology professionals necessary to run all of this, the data and visualization professionals needed to turn the information into stories in order to convey it and make accurate, efficient, effective business decisions. So it's a much broader workforce. As you start to climb up the leadership levels, you typically, several years ago, had leaders who again came from those disciplines within finance. The leadership expectations are changing as well. They're getting a lot broader.

They need to understand how to work with IT, they need to understand how to work with other areas around data and data management in the firm in order to both understand how decisions are made and the data that will back up those decisions, but also have the systems interrelate to bring the information together. That top-to-bottom change in the finance workforce is dramatic, and it's putting some stress on the organization.

It's challenging leadership, it's challenging the ability to work cross-functionally, and it's challenging partnerships in a number of other areas in the organization. The finance HR partnership, the finance IT partnership, the finance marketing, the finance sales partnership—each of those needs to be bolstered as finance moves forward into this next generation of work and workforce.

David: One of the interesting things on that last note of the challenges facing the workforce that I think is maybe becoming one of the selling points of this story—we talked about it in this past year's Global Human Capital Trends study—is this notion of the superjob, that as the jobs shift and there are more and more of those intersections, the roles themselves begin to sit across the entirety of a value chain. How is this showing up? How is this notion of the superjob showing up in these industries in the context of the exponential professional? Darryl, do you want to take that one?

Darryl: Sure. Again, I'll start with the actuarial function. I think in many ways, actuarial superjobs have existed for a long time. And by that I mean, I think truly impactful actuaries are ones who combine a blend of very deep technical skills and understanding of the workings of insurance products and regulatory requirements and many other things. But connecting that then to a very savvy understanding of the business to which that relates. Whether it be insurance or retirement systems or what have you.

And so to me, that's a perfect example of a superjob, is combining a couple of disciplines and bridging a gap that makes the combinations more valuable than each by itself. I think with this future of work, as we pivot towards the exponential professional, I think we can even take that to greater levels by leveraging technology and perhaps spending more time on the business savvy side of the equation than on the technical side of the equation.

But, for instance, rather than just having someone focused on modeling and projecting financial numbers, that person becomes more of a strategist for the business. Taking projections is almost a starting point, if you will, to have a conversation about where the business is going and the alternatives that should be evaluated or pursued or not pursued. So I think that's a great example, and I'm sure Rob can add others.

Rob: Yeah, Darryl, I'm seeing the same thing in so many of the areas, whether it's finance at P&A. So interacting with the business, the superjobs there are able to bring in massive amounts of business data and performance data, show it with a visualization—so conversant in the data visualization technology—bringing in insight both using internal and external data, understanding the impact out to share price on business decisions. That view, that holistic view of business understanding, bringing the unique finance skills around capital markets, as well as tax and accounting policy, all while being able to provide business advice—That's a skill that the finance professional of the future, we continue to expect to demonstrate and as these exponential technologies take root and become more common, they'll continue to up the ante.

So another piece that we're seeing with our clients is, as the technologies become more common, they become more integrated into the everyday way of getting work done, we'll need people to continue to understand how the information is there, how it's used, democratize both data and democratize the use of many of these platforms so that they become common, they become expected. And that creates the space for that next leg up, that next leg up of technology, that next leg up of business advice, that next leg up of understanding the broad, broad set of stakeholder expectations, bringing them into your day-to-day life and using that to drive really effective decisions for the organization.

David: Darryl, earlier you hinted we might need to be doing something different in terms of helping to prepare our workforce for this future, or this present, actually. I think from the individual's point of view, it may not be always so obvious that the world is changing around you, or even if it is, maybe, it might be entirely reasonable to be a bit anxious about it. How are we helping professionals to adapt? What kinds of skill sets are we helping them to grow to become more exponential?

Darryl: I would say right off the bat that this is absolutely a new frontier. I don't know that anybody has cracked the code on it, and it's something that I think we'll all be working on. But I think the first thing I would mention is just the importance of engaging your people. Engaging your teams in this journey, in this conversation for a couple of reasons.

One is to help them understand what it is we're trying to do. That this is not just about efficiency, but it is about how do we get to that full potential? How do we unleash more human performance, if you will, by leveraging some of these other things? I think that's important to have that perspective. But

also because a lot of the ideas are probably already out there within the organization. We've found by asking some fairly simple questions—"What do you think we spend too much time doing? And if you had more time, what are some other things that you would do?"—you can unlock a lot of ideas. I think number one is just really engaging the team.

The second one, I would say, is around then, you know, obviously beginning to help people think differently and act differently. Some of that I think is mindset. I think there is an important mindset shift around the way you think about technology, the way you use technology, the way you interact with technology. Not being too hesitant to delegate, if you will, to technology, but also not being too quick to just accept what comes out of a machine either. I think there's an important balance there. Then obviously from a skill perspective, understanding technologies and working with them, but also what are some of the other skills. As we create this capacity and enable people to do more, I think we will find that we actually want to spend more time equipping people on the nontechnical side of the house, whether it's around the way they communicate or how to really ideate, how to get good ideas from a team, all those skills which I think will be very valuable. And I guess the third thing I would mention is, I do think this is going to be a team effort. There's a bit of an ecosystem.

I have spent some time talking with universities. I think our higher education system can be a big help in this. And I think we may need to begin to think of the way that works differently. This is not necessarily something that just happens at the beginning of a career to get your launch, but more of a lifetime learning aspect, perhaps supplementing what used to be on-the-job training that may not happen as much because of some of the changes with technology. I do think those partnerships are important, and I'm beginning to see universities, employers, and professional organizations beginning to interact and work together on these topics. But as I said, much more to figure out. But I think an exciting journey and one that'll make a big difference for professionals and their organizations.

David: I think on that comment related to this being an exciting journey, I think I'm going to use that as a cue to wrap us up. But I want to close, and Rob, we'll go to you first. On that journey, maybe just some . . . your words of wisdom so far with some of the clients you've worked with as to where to get started? How to maybe to kind of get out of some of those early obstacles or moments or paralysis on a topic which can be somewhat frightening on first glance.

Rob: Yeah, maybe two sides of the same coin experiment. Bring the technology into the workplace. Try, pilot, experiment in different areas, whether it's using natural language processing to review a pile of documentation that nobody's gotten to and see if there's some trends that the system can identify and find those types of things. And then the other side of that same coin is for leaders, your workforce is looking for these opportunities. Give people the shot, the chance to show off the skills that they have. That's the way to drive workforce engagement. And as you bring that together, you start to see the S curve pick up. You start to see the adoption and how it moves through an organization quickly.

I was working with a client that had typically looked at very flat reports on sales and productivity and they started to bring in a much more advanced digitalization and ability to drill down into the detail. It took two review cycles. The first quarter, then the next quarter, and it became expected in every conversation. Don't tell me what sales were; allow me to drill into and see trends and inputs and all visualized the ability to experiment and try things. The ability to find employees in that workforce that want to shine and want to do this. It gets contagious. And that's when you start to see the adoption spike.

David: Darryl, last word. What's a great first step on the road to being exponential?

Darryl: Yeah, you know, picking up on some of the things that Rob raised, I think, thinking big and thinking long-term, but starting small. I think taking steps that can build confidence and get some quick results, so you can really begin to increase the buy-in from the organization. And part of that, I do think, is thinking differently. A lot of these transformation processes and programs in the past had been measured in months and years. And with this new technology, oftentimes you can achieve quite a bit in weeks. I think collapsing time framing, being more agile, and also being willing and having an expectation of some degree of failure, because I think the idea is to experiment. But that's why you also want to keep the timelines tight so you don't, you know, waste a lot of time. But I think that's an important aspect of this as organizations go down this road.

David: Thanks so much, Darryl and Rob, for today's conversation, and thank you, audience, for joining us in Capital H.

That's it for Capital H this week. As technology keeps evolving, we can expect to see more opportunities to evolve work in exponential ways. We thank Shawn Loftus, chief actuary and senior vice president of the USAA Life Insurance Group, for giving us a firsthand look into the ongoing transformation in the actuarial profession. And thanks to my Deloitte colleagues, Darryl Wagner and Rob Dicks, for sharing a bigger-picture perspective on how jobs are shifting across the future of work. Join us next time as we explore more topics and trends that focus on putting humans at the center of work.

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