

SLAYING GIANTS IN THE MEGA GIG ECONOMY



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How small beats big in today's business world

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Introduction

When people hear the phrase 'Fourth Industrial Revolution', they generally think it is all about artificial intelligence or robotic automation; a new world of smart homes and flying cars. This is all quite unrealistic, in my opinion. For most people, it's simply too much to contemplate; it's an overwhelming prospect. People are starting to think that when they get home, their front door will swing open on cue, the lights will switch on as needed, with a friendly voice to greet them, selecting their favourite music, setting mood lighting, all while pouring them a cold beer. It's a vision of total automation. Stock prices scroll across the ceiling, a friendly robot dog wags its tail, ready to fetch the ball. We can be teleported from one location to the next. We can sit back, relax, and summon unthinkable luxuries. It is true that some of these technologies are already available, and others are on their way. But to look at the Fourth Industrial Revolution as a vision of futuristic, labour-saving technology is to miss the point entirely.

I have a very different view on the matter. I believe that we are already living through the Fourth Industrial Revolution, right now. And, in fact, the nature of the Fourth Industrial Revolution is quite simple. To me, the definition of the Fourth Industrial Revolution is the facility, for the first time in history, for a regular person to have everything at their disposal, at almost zero cost.

'All of technology, really, is about maximizing free options.'

Nassim Nicholas Taleb

You have your smartphone in your pocket. You can communicate with as many people as you want, and it costs you next to nothing. If you want to start a business, you can go online, do a Google search, and find all the documents you need. If you need to phone

people overseas, you can call them practically free of charge using VOIP. In essence, the Fourth Industrial Revolution means that the average person now has the ability to operate like a big corporation, for the first time ever. The key consideration here is the term 'barrier to entry'. The barriers to entry that existed just a few years ago when starting a new business are now dramatically reduced. The key to business success is information, or rather, getting information to work effectively for you. The most important shift we need to make is the realisation that the Fourth Industrial Revolution is not a faraway thing, it is the here and now. So what do we mean by an industrial revolution? Broadly speaking, an industrial revolution is a seismic transformation of our ability to work, make money, produce products and services, and get others to buy them. We don't need to explore the history of the previous industrial revolutions in great detail to recognise the obvious point that information is clearly the basis of the fourth industrial revolution. Technology enables us to engage with information. This technology is now affordable, and easy to use. How you use it is your ticket to success.

In the past, when a person wanted to start a business, they would need to physically go to the bank, commit to a massive loan, and then acquire an office or a factory. That was the default model. You needed a central place where all the employees could gather. A central hub where the telephone lines all led into the office. If you hired someone and wanted them to plug into your business, they needed a workspace which was physically connected, with a desktop computer, a telephone line, and other office equipment: printers, fax machines, and so on. Generally, only offices had access to affordable, high-speed internet.

The world has changed, but many people still cling to this old-fashioned mindset: they believe that clients will expect to walk into a smart-looking office, to be greeted by a receptionist, then led into a fancy boardroom where the actual meeting will take place. But I don't believe that this is still the default professional approach. For the modern business, most of the standard office infrastructure is now a waste of time, space and money, and clients increasingly understand this.

In this book, I will outline the new fundamentals. I hope you'll agree that the traditional business model has changed. But there will certainly still be some people, particularly those who have a vested interest in expensive office space, who will not agree

with what is being presented here, and will maintain their contention that the 'office experience' cannot be matched.

Of course, there are some industries in which a warehouse or factory is necessary, or where not having a physical office wouldn't make sense. But I do feel that, for most businesses today, one can dramatically reduce the amount of space that is needed. In this day and age, most functions can be carried out remotely. Real estate is one of the biggest expenses for most companies. This creates a scenario where small businesses need a lot of funding before they can even launch and start operating. But if the traditional office disappears, what will become of all that commercial real estate? That's a question we'll explore in a later chapter.

To start a business nowadays, you don't need all those overheads. The Fourth Industrial Revolution has levelled the playing field substantially, and now anybody can have access to the tools they need to start a viable business, at little to no cost. The barriers to entry have been lowered across the board. Now that we understand that the Fourth Industrial Revolution refers to industry, and not our social lives, we can take a closer look at it, as well as how it currently affects our philosophy of business. I do believe that there are aspects to this revolution that touch on our social, familial and emotional lives, but in this book I'll be focusing on the industrial impact of the Fourth Industrial Revolution.

Chapter One – Deconstructing the Fourth Industrial Revolution

The Fourth Industrial Revolution is defined by three elements.

Firstly, it is about the technology we use today. This is self-evidently better than ever before, and it continues to improve at an exponential rate.

Secondly, it is about the way we now interact with our clients and colleagues on a digital level. Communication no longer primarily takes place through the telephone or face-to-face meetings. Our interactions nowadays are mostly digital, and this was already the case even before the 2020 pandemic accelerated the trend.

Thirdly, and I think most importantly, it is about a new approach to how we treat those that we work with. The Fourth Industrial Revolution incorporates a new focus on caring about colleagues as people, beyond the purely professional dynamic. Today's entrepreneurs want their employees to be happy, they care about their lives, they encourage them to take up yoga or whatever keeps them mentally, emotionally, and physically healthy. They care about their employees' home lives and families, and strive to provide an optimal work-life balance by doing things like providing a creche at the office, or offering more opportunities to work from home. This level of employee care is key to the Fourth Industrial Revolution business ethos.

This chapter will focus on the technological aspects of the Fourth Industrial Revolution. Social scientists define a generation as a period of around twenty to thirty years. This puts the year 2000 comfortably within the 'current era' (and, to many of us, twenty years ago still feels like yesterday). The World Wide Web was only invented in 1991, and the first rudimentary smartphone came in 1992, but their widespread adoption and use came later, and clearly fall within the current era. Consider then how much has changed over this single generation.

Looking back over this period, the corporations which have dominated the business world, the companies we look up to and aspire to compete with, seem impossibly large and unassailable. It's difficult to imagine ever growing to match them, let alone outcompete them. It can be demoralising to contemplate running a successful business in an environment like this, where all that's available for the smaller players to fight over are the scraps these massive companies leave behind.

In a range of industries, the large, dominant companies, such as hotel groups, freight operators, food retailers, and (in the case of my industry) big consulting firms, all own expensive, specialised machinery and highly sophisticated information systems infrastructure. So unless you already have a near-inexhaustible supply of capital, matching their arsenal is not a practical strategy for providing a competitive service.

So how can small companies compete? In the past, you would have little option but to go through the traditional finance route, by developing a bulletproof business plan which would convince a bank to loan you the money to buy the necessary equipment and infrastructure upfront. You'd immediately be fighting an uphill battle, where the best possible outcome would be to end up with massive loan repayments. And if you've never tried to build a business while servicing large debts, consider yourself lucky. If you have, you already know it's something you'd rather never have to do again.

But in the past, this traditional route was the only path available. In order to operate a business, you needed office space, and the tools and equipment to do the work. You had to keep your computers running, and you had to keep the lights on. Not just for you, but for every one of your employees. It was necessary to link the computers to an internal network to enable staff to collaborate, and if you wanted to manage your corporate email at a company domain, an expensive computer server was your only viable option. In order to run this server, you'd either need to provide a climate-controlled office space with reliable, constant power, or negotiate with your ISP to rent space in one of their server rooms.

Recent advances in technology have changed all this. Today, fledgling businesses have far more options, and even large, established companies can operate seamlessly without ever investing significant capital into office infrastructure.

Less than a decade ago, if you wanted to host a video conference, you would have to spend a small fortune on equipment such as cameras and projectors, with a dedicated conference room to house it all (since it obviously wasn't feasible to give each employee their own equipment), not to mention the fact that an internet connection with sufficient bandwidth to transfer video was not only prohibitively expensive, but was typically not available outside of a few locations, even if you had the money for it. The idea of every

person carrying the equivalent technology wirelessly in their pocket would have seemed like a fantastic vision of a far-off, utopian future.

Today, every one of us carries a device in our pocket that has more processing power, and faster internet speed, than some small businesses back then had in total. We knew that processing power and network speed would increase, and there were devices that technically counted as smartphones back in the early 1990s, so in hindsight, it might look like these developments were obvious and inevitable. But smartphones were originally intended for a small, elite market of high-powered executives. The decision to sell smartphones to regular consumers, to design them to be perceived as exciting, stylish tools for social engagement and online media consumption was a visionary act of industry disruption that relegated the market leaders of the day, such as Nokia and Blackberry, to relative obscurity.

Conference call technology is now so ubiquitous that an estimated 3.5 billion people have access to it. That's a little over 67% - 80% of the global population. To put that into perspective, only 40% of people have access to safe sanitation. If you were to select a human being on this planet at random, they'd be more likely to own a smartphone than to have access to a flushable toilet.

'I love the freedom of movement that my phone gives me. That has definitely transformed my life.'

Richard Branson

Despite the great strides that technology has made, old habits die hard. Only five years ago, when my own company Virtual Actuary was just beginning to get off the ground, clients would often ask us to dial into their clunky, outdated systems whenever we needed to have a conference call. I would insist that we use an app instead, pointing out that doing so would be simpler and more efficient, offering greater functionality. In the end, most of our clients were prepared to give it a try, and they soon saw the benefits for themselves.

Laptops have also changed dramatically, in many ways mirroring the advances made by mobile phones. Processing power, storage capacity, and battery efficiency have all improved enormously. Coupled with advances in display technology, laptops have become lighter and thinner, making them more portable, without any decline in performance. In fact, low-end laptops today will typically outperform even the most powerful laptops of ten years ago on practically every metric, at a fraction of the cost. Ten years ago, laptops were still expensive enough that most companies restricted their use to employees whose work required them to travel. Today, the most affordable entry-level computer is usually a laptop, and the desktop computer is reduced to being a tool for specialists and hobbyists.

The technology needed to run an effective home office is now so commonplace and affordable that most middle-class teenagers already have it. What's more, these tools come with wireless internet and prodigious battery life, which means your office can travel anywhere you can. This has levelled the playing field for businesses today so dramatically that capital now rarely poses a barrier to entry. The new predictive metrics for success when it comes to the Fourth Industrial Revolution are technical literacy and adaptability. A sufficiently tech-savvy entrepreneur can outperform established corporations.

This may sound like a bold claim. After all, established corporations have access to this technology too, as well as additional resources, and no shortage of tech-savvy employees. But big organisations can be slow to change course. The business environment is changing faster than most people are comfortably able to adapt, and large corporations tend to be particularly resistant to change. Successful businesses are quick to adapt. And an employee simply isn't as motivated to innovate as a partner is.

This is one of the major themes of this story: there is an older generation of businesses and businesspeople who are resistant to change. Much like the dinosaurs, their failure to adapt to a changing environment will result in their inevitable extinction. Most members of this resistant generation seem completely oblivious to this obvious, universal truth. In my view, this is the primary reason why we are witnessing a new breed of entrepreneur rapidly emerging and outperforming the old guard.

‘Adapt or perish, now as ever, is nature’s
inexorable imperative.’

H. G. Wells

A person could fill numerous books with examples of technology improving over the last three decades. The development of information systems, in particular, has transformed things to such an extent that there is practically no aspect of modern life untouched by their advance.

An up-and-coming entrepreneur should embrace these changes, and feel encouraged by their seemingly unstoppable progress. The starting point for modern entrepreneurs relative to market incumbents is miles ahead of anything which came before. It’s like racing a modern Ferrari against a Model T Ford.

The ability to embrace technology is a mindset. When someone tells me they aren’t interested in doing something more efficiently by using technology, to me they sound just like the kind of person twenty years ago who would say they didn’t need email, because they were perfectly happy cycling across the city to deliver a handwritten note in person. You know, for that personal touch! I imagine that person pedalling along the side of the freeway, drenched with rain, while thousands of electronic messages whizz through the air above.

Sometimes, the dinosaurs will claim that they are completely au fait with technology, and just as technologically adept as their newer rivals. They will make excuses, claiming that despite their mastery of technology, the outdated business practices they cling to are somehow ‘better’ in terms of client satisfaction. They’re deceiving themselves, so they don’t have to face the fact that they are afraid of change, and are falling behind as a result.

I also believe, slightly more controversially, that our leisure use of phones and other devices for media consumption, social networking and other entertainment is also a net positive for your business. Burnout at work is a very real psychological phenomenon,

with mountains of research showing harmful repercussions for both physical health and productivity. All the research indicates that burnout at work is more prevalent than ever before. This is not something that an entrepreneur can afford to disregard.

In this context, the immense value of having readily accessible distractions to relieve employees' stress, between moments of intense work or protracted periods of deep concentration, is obvious. Think back to how you would cope with work stress in the not-so-distant past, when you couldn't carry your entire music collection in your pocket. You were stuck in the office, with little more to look at than your workstation or your co-workers. Your best bet for a quick break was to head to the water cooler, or go outside for a cigarette. Unless you were being kept too busy to think, you'd get restless, frustrated and bored. It's only natural. You most likely despised your job, hated your boss, and resented being confined to an office every day. It was even worse if you had friends whose jobs did not force them to be inside all the time. Your earliest opportunity for respite, or something approaching leisure, came in the form of a favourite CD played on a loop during the commute home. It was a bleak time.

By contrast, in today's office, you're not limited to interacting with just your co-workers – you can chat to anyone, anywhere in the world. Throughout the day, you most likely receive messages from friends and family, perhaps sharing something they know you'll find interesting or entertaining. Maybe you'll chuckle. Maybe, if you have friends like mine, you'll get pranked, as the seemingly innocent video suddenly blasts out loud, pornographic sounds designed to cause you maximum embarrassment! But, for that brief moment, you're entertained. You get a few seconds of release, and distraction, and some of the stress dissipates. It's healthy.

A family member might send you pictures of your favourite niece, or an update on a family member's health. Although you're at work, your connection to your family is reinforced and strengthened in some small way. In that moment, you might think about how fortunate you are to have a job which allows you to provide for your family. You'll go into your next meeting feeling slightly more motivated and enthusiastic, ready to show your colleagues why being in business with you was the best choice they ever made.

Furthermore, all this technology allows us to interact with the business world in a much more purposeful and still – contrary to popular belief – meaningful way. Whether

you're an artist creating music, producing promotional videos for global distribution, or a broker of goods and services, you can engage with your audience and colleagues without ever getting up from your chair, and without losing the so-called 'personal touch'.

Another area that has been completely transformed is the mundane matter of filing. Just ten years ago, you couldn't have any type of office without filing space. Even if you've worked in a company with paper filing systems, you probably don't realise just how much space is needed for filing and archiving documents properly or, for that matter, the complex considerations and costs involved in deciding where and how to store them.

In 2016 (which is obviously not that long ago), the Valuations department of the City of Cape Town was finalising a multi-year project to centralise their workforce of 120 people to an open-plan office space in the city's central business district. The final part of this move was to transfer filed paper documents that hadn't been digitised for their new systems. To the chagrin of those in charge of this move, it was discovered that their new offices (which had been built in the 1970s) could not safely accommodate the weight of all this paper. There was a real danger that storing it all on a single floor would compromise the structural integrity of the entire building. The move had to be delayed by a further year, which meant they had to renew their lease, so that the city could bring in contractors to digitise all the paper documents.

Not only is paper filing expensive and unwieldy, it is also inefficient. Locating and retrieving files from a paper system is difficult and time-consuming, even if the files are well organised and maintained, which is rarely the case, unless there is a department dedicated to this task. Maintaining a system which allows staff to access archived files and pull them out of storage can be difficult in a large office, so organisations often end up making additional copies of the same documents. Physical records are also unwieldy and inconvenient if you're just looking for a single piece of information in several pages of data, not to mention if you just need to make a minor edit.

Today, you can store all your files on a single device, fully backed up to the cloud, and easily searchable. Any file can be attached to an email with a click or two and sent, quite literally at the speed of light, wherever you need it to go. Being an entrepreneur from your pocket is now the norm.

It should hopefully be clear by now that I am a big enthusiast for the benefits of modern technology. Even so, it is important to remember that having all the technology in the world at your fingertips is worthless if you don't use it to your advantage. No AI in the world is going to run your business for you. By the time AI is sophisticated enough to do that – and there is good reason to believe it could, one day – the AI would also be sophisticated enough to recognise that it doesn't need you. Even with technology, you will need to bring all your traditional skills and expertise with you to this new environment. Being organised is one such skillset. Storing your documents digitally does not free you from the need to store them logically and methodically. You need to ensure that files can easily be located and retrieved. If you can't pull up the stored information you need quickly, then you aren't storing it effectively.

Maximising efficiency is the name of the game. Your business has goals and it has resources, and your task is to find the perfect balance of speed, quality and cost in the pursuit of those goals.



'Perfectly balanced, as all things should be.'

Thanos

I currently use six screens at my workstation, and I plan to increase that number when the balance between cost and efficiency allows for it. For now, six is enough. Are you thinking that you can't imagine any reason for needing six screens at once? If so, you need to take a hard look at how set in your ways you may be. Let me explain how multiple screens help me work more efficiently.

The number of screens that are useful is directly related to the number of programs you have open during the course of your workday. Computer processors have become exceptionally good at multitasking, so having multiple programs running at once is a trivial challenge for any half-decent computer. If you're still having to switch between programs on a single screen, you're sacrificing your time in exchange for saving money on an

additional monitor. It might not sound like a lot of time, but it adds up. You can, of course, have programs open side-by-side on the same monitor, but this is only useful if you can still use the program just as effectively when it is reduced to that shape and size. Which is rarely the case.

Personally, I have a standard set-up for my six screens. I have my calculator and YouTube open on one monitor – I use the calculator frequently, and YouTube is my go-to for relaxing videos while I'm working. On one side of that monitor, I have my social networks open, so that I can glance over for an update occasionally, such as when I'm on hold. One monitor is dedicated to my emails, another to browsers, and the fourth to my accounting software. The remaining two monitors are for my database network of industry contacts, which I have to keep constantly updated. Even with six screens, I still have to minimise and switch apps from time to time, and I could certainly use another monitor or two for my news feed and messaging.

I find having everything open and immediately accessible is immeasurably helpful when chatting to clients. Something as simple as responding to their recent activity on social media goes a long way in showing that they have your undivided personal attention. I attend a lot of virtual meetings and video calls, so being able to keep those open on one screen, while having five others to access the various programs I use, helps me to be more responsive, saving time for everyone concerned.

Your needs will probably be different from mine, but in my view there are only three reasons not to add another monitor to your setup:

1. You cannot afford it (yet),
2. You don't have enough space to view it comfortably from your chair, or
3. You never have more programs open than you have screens.

Chapter Two – Digital Interaction

Back when I first started Virtual Actuary, I was well acquainted with the conventional model of meeting with clients. The process would typically start with a request, from the client, for you to come and see them. Once the appointment was made, you'd ensure you were dressed appropriately, and drive to their offices. Traffic can be unpredictable, so you'd always aim to get there early, which usually meant you would arrive well ahead of time, and then have to wait for a while in their reception area. Eventually, you'd be directed to a boardroom, where you'd have the meeting, before facing more traffic as you headed back to your office. Doing it this way, it was rare to get a 45-minute meeting done in under 3 hours.

'Meetings are indispensable when you don't want to do anything.'

John Kenneth Galbraith

I've spent a tragically large proportion of my life waiting in reception areas. I even toyed with the idea of starting a business, called Reception Buddy, which would install reception area vending machines, stocked specifically for businesspeople like myself. After all, when you're on the road all day, who has time to stop for lunch, or even a snack? I believed a business offering a convenient source of healthy, low-GI snacks and drinks, as well as breath-freshening gum, could make a killing from my demographic.

Now, I'm not completely opposed to in-person meetings. There are clearly situations where this kind of face-to-face client interaction is useful. Avoiding them altogether is unfeasible. And I'm a realist. If you want to do business with someone, you have to interact with them, in whichever way works best. If your client prefers to do business in person, it's best to do things their way. And by maintaining that relationship, you will still have an opportunity to persuade them of the convenience and benefits of going digital.

Achieving these kinds of changes takes a certain finesse, and it can be a daunting task when dealing with an important client. But, as I like to say, being brave is not for cowards. It's a lot easier to persuade clients to change the ways in which you communicate when you know, for a fact, that they'll benefit in terms of convenience and efficiency as well. You can sell it to them in the same way you would one of your products, simply by presenting the benefits.

A big part of the Virtual Actuary ethos has been our drive to digitise the consulting process. I honestly believe that getting our clients to embrace digital communication and remote meetings has been a key factor in our swift growth. Through working digitally, we've reclaimed hours of otherwise unproductive time, allowing us to work more efficiently and maximise our availability for clients. By reducing our unproductive time, we've effectively lowered the cost of providing our services. This, in turn, has allowed us to increase our profitability, without lowering wages, while still passing savings on to the client. A happy trifecta.

But technology hasn't only changed the ways in which we interact with clients. It's having just as dramatic an effect on how we engage with our colleagues. In the past, unless you were dealing with colleagues in person, you were restricted to phone calls or, more recently, emails. Even today, many people cling to the strange belief that you cannot possibly achieve effective levels of inspiration or camaraderie unless team members are physically sharing an office.

This is clearly nonsense, as I know from my own experience. Again, I think this is simply a case of managers and organisations being set in their ways. Working and collaborating remotely doesn't seem workable, because remote offices are unfamiliar. The productivity gains from tele-commuting are counter-intuitive to those mired in the traditional methods of managing staff. Since time immemorial, the phrase 'This is how we've always done it' has been used as an excuse to resist progress. But I challenge you to find a single example in history where this attitude has led to greatness.

Our team at Virtual Actuary use Slack and Zoom to great effect. We're just as connected and motivated as any geographically centralised office environment could be, with no shortage of innovation, collaboration or professionalism. In fact, by effectively leveraging these dedicated collaborative tools, we have even more control over our

business. We have a record of every message that passes between us. We have version-controlled, shared documents that can be updated by multiple people at the same time. When we need to, we can share our screens with our colleagues, without ever having to leave our desks.

If someone tells you it's not possible to manage employees unless they're in the same room, what they're really saying is that they don't know how to manage staff in the modern business environment.

In the modern world, in which all of our devices are connected by a global network, we are empowered by a tremendous array of tools to collaborate with one another remotely. Through the magic of screen-sharing, I can ask my colleagues to literally show me what they're working on, and I can show them my work, to help explain what I mean. I can hand over control to the remote user, allowing them to literally move my mouse cursor and type if necessary.

Occasionally, some employees feel uncomfortable about this degree of connection, due to privacy concerns; for example, an employee might not want to install software on their own computer that might open them up to being spied on by their employer. This is perfectly understandable: privacy is after all a human right. But it's an issue that can be managed and addressed. These can admittedly be complex new challenges. Employees can sometimes feel aggrieved by the idea that their boss is able to see everything they do on their computers. On the other hand, sometimes managers can have legitimate concerns, such as whether employees are truly performing, or simply doing the bare minimum to secure their pay cheques. We'll address all of this in more detail in a later chapter.

The distinction that used to exist between work time and personal time has all but vanished. Today, everything's all mixed up together. Clients and colleagues alike will reach out to you at all hours of the day and night, particularly if some of them are in different time zones. The modern entrepreneur must accept this, and organise their life around this new reality, while remembering that there's a thin line between being flexible and being overstretched. For example, to maintain the proper balance, there may be times of day when it's best to put your phone on silent, to avoid being disturbed by overseas calls and messages.

Running a business today can feel like being an air traffic controller, running things from the tower, maintaining a delicate balance and performing damage control to keep everything running smoothly. This has become a big part of what I do.

Despite the obvious benefits of conference calls, we still have clients who, for whatever reason, insist on having someone attend the meeting in person. On one such occasion, I was dialling into the meeting remotely, while at the same time one of our actuaries was driving to the client's premises, as requested. He initially arrived at the wrong place – he was at one of the client's other locations – so by the time the meeting had started, he was running fifteen minutes late. Thankfully, I was able to send him the Zoom meeting link, which meant he could follow the meeting on his phone while en route. When he finally made it through reception and was directed to the correct boardroom, he'd missed nothing, and was able to join the meeting without disruption. If I had not been attending the meeting remotely, everyone's time would have been wasted.

This facility to seamlessly 'plug in' to a meeting from anywhere in the world has become second nature to our team. And it's granted us more personal freedom, allowing us to be more efficient with our time. One of my colleagues has even attended meetings while watching their child's soccer games, enabling them to actively pursue their career while still being present in their family life.

One of my personal passions is kitesurfing. I'm already able to attend meetings while at the beach, and I'm really looking forward to the day when I can attend a meeting while launching myself several storeys into the air with my kite.

It's absolutely going to happen. And soon.

But there's more to this development in digital technology than conference calls and portable devices. The cloud is another element that is bringing about transformational change. About 15 years ago, I was scheduled to do a presentation at the office of a prospective client. I got there, only to realise I'd left my briefcase at the office, 45 minutes away. I started the presentation by saying how lovely it was, in an age of information overload, to be presenting without a screen or slides. This quick thinking allowed me to save face, and we closed the deal, but it would have been even better if I could have grabbed my presentation from the cloud, and given the presentation I'd prepared.

Today, I always have access to my files via the cloud, so I'm always able to present, with any relevant documents, at a moment's notice. With the screen-casting facilities of modern smartphones, it should soon be commonplace to deliver presentations directly from your mobile device.

Digital platforms are also very helpful for augmenting traditional team-building efforts. I encourage my colleagues to share updates and pictures from their outings and travels with friends and family. We don't all have to be the closest of friends, but our business eschews the traditional, hierarchical employer-employee dynamic. We prefer to see ourselves as a lifestyle business for actuaries. We give presentations to one another, and discuss our favourite stock picks. We also have monthly get-togethers to relax with a few cold beers and a good barbeque.

Technology helps us to maintain more informal, personal connections, while remaining professional and appropriate in what is still a work environment. Of course, there's a certain decorum that must be maintained, and we avoid topics such as politics and religion, which is just common sense. We all understand that we are part of a business environment, and so we maintain professional relationships, but we're also able to still enjoy a high degree of personal connection as well. There's a huge amount to be gained from this, given that most of us end up spending more time with our colleagues than we do with our friends and family.

I won't go into too much detail at this point about our specific structure – which we like to describe as an 'organised collaborative' – but I will say that the 'organised' part is crucial. We might not have a traditional, formal employer-employee dynamic, but we still have members whose responsibilities include keeping things in line.

I began writing this book shortly before COVID-19 familiarised us all with working from home and terms like 'lockdown'. The pandemic accelerated many of the trends I've described in this book, and for us as a business it clearly demonstrated the effectiveness of the digital strategy. While much of the corporate world was forced to make dramatic changes to their working practices, or even close their doors for months, we were able to continue with pretty much business as usual. And even if life completely returns to normal after Covid – which seems unlikely – these trends are still intrinsic to the future of work.

We didn't choose the name of our company, Virtual Actuary, at random. We're still in the early stages of our developmental roadmap, and one of our long-term goals is integration with Virtual Reality. One of my partners hasn't quite come around to that idea yet, and thinks it's silly. I can understand why it might seem that way, but it wasn't that long ago, relatively speaking, that the idea of using a computer to produce documents seemed equally ridiculous. Tech companies are pouring billions of dollars into VR and its sister technology AR (Augmented Reality). It might seem gimmicky at the moment, but a lot of very smart and influential figures in the tech space are betting on it being the next ubiquitous technology to make its way into every facet of our lives. We at Virtual Actuary plan on being ready when it does.

Later in this book, I'll discuss the importance of getting buy-in from internal stakeholders, and how to maintain the vision for the business. The key principle is to maintain everyone's focus on the goals and strategy of the business, and to not be waylaid by negative voices. One concern with a book like this, which is focused on technology and new approaches, is that there's a risk that these ideas can quickly come to seem dated or self-evident. The challenge for me personally is that it can sometimes feel like I'm stating the obvious, but this is always the case when one has fully internalised a concept. But the key principle here is a simple and timeless one: if you can make your product cheaper than your competitors, while matching or exceeding their quality, clients will buy what you're selling.

And, to be clear, none of this is meant to imply that there is not a market for premium products with higher prices, but I don't intend to focus on the complex topic of neuromarketing in this book.

Technology is not just about tools and processing power. It has also changed the nature of our interpersonal relationships. Social media barely existed twenty years ago, although it evolved from humble origins that predate the World Wide Web. Today, in an astonishingly short period of time, almost everybody has a profile on one or more social platforms.

Instagram is an excellent example. Instagram has become a powerful tool for communication, not just in our personal lives, with friends and family, but also in business, as we connect with clients and colleagues. The facility to engage with other people's

personal lives, from a distance and in near real-time, would have been a mind-bogglingly novel concept until quite recently. But now, when one of my clients takes their family on holiday, I can 'like' the images and videos they post of the experience. I might leave a comment, and perhaps they will respond, and in this way our connection becomes just a little deeper and more personal. By posting on Instagram, that client is inviting me along for the ride, and by commenting, I'm tacitly choosing to take part.

What is the nature of this relationship? It doesn't really fit into traditional definitions and boundaries. It isn't exactly a conversation between friends. My relationship with this client doesn't meet any convention definition of friendship. But Instagram is acting in this situation as a kind of social glue, creating a new kind of bond between me, a service provider, and my client, into a new form of friendship that didn't really exist for humans prior to this millennium.

Of course, people might question the substance of these 'friendships'. We could argue about how deep or shallow they might be, and I'd be absolutely the first to agree that these friendships are fundamentally different from the friendships people have traditionally formed in the so-called 'real world'. But I'm not sure how much this distinction really matters anymore. Whatever objections people might have, these relationships are demonstrably powerful, important, and need to be encouraged and nurtured. I've gone so far as to delete my personal Instagram, in favour of operating purely through my professional Instagram profile. I've deliberately filtered out non-professional content from my feeds, focusing almost entirely on the posts of my clients, because these connections are an important part of my business relationships.

My network is not restricted to clients and direct business contacts. I will often follow other people who are in my professional orbit. Some of these people are not clients, in the strictest sense, but my connection to them is still something akin to a client relationship. Perhaps the most appropriate term for these people would be 'industry connections'. Through social media, I get to engage with their lives, and I get a tremendous amount of joy from seeing them enjoying days out with their families, taking their kids to exciting locations, posting about their sports and hobbies, as well as their appetising cuisine and food-centric experiences.

Over time, many of these industry connections have become personal connections, and in some cases even friends, through exchanging likes and comments on each other's posts. This new model of communication, and the interaction it allows, has changed the fundamental nature of the connections between professional peers. There has been a dramatic shift between the cold, utilitarian nature of business contacts of the past to a warmer, friendlier, more personal social connection. This contrast between how business was conducted a decade ago and today is astounding. It's a huge change, and it's happening right now. In my view, it's a beautiful thing.

Recently, one of my industry connections started broadcasting live, at 9:30 pm. Of course, I joined in, and I had a great time, as I really enjoyed my colleague's content and the topic he'd chosen. In this way, I've had lots of highly enjoyable interactions, and what I've learned has been both valuable and entertaining. More than that, interactions of this type present a golden opportunity for us to develop and deepen our personal relationships.

To be clear, the way I'm using social media as part of my business connections is not unusual, or one-sided. Lots of people in my industry are engaging with me in exactly the same way. They're seeing how our company is progressing, as we continue to build a global brand of actuaries. My contacts and colleagues are choosing to engage with what we're doing, because they're hoping to become a meaningful part of what we're building as it continues to grow. They're actively rooting for our success, which is another difference from the traditional business model. In the past, the old industry paradigm would see us all pitted against one another as competitors and rivals in a zero-sum race for clients. Today, the way we work and interact is much more collegiate and collaborative.

Today's new tools and technology have created a new way for these people to build a rapport with me over time. And that means that, when the time is right, they'll be able to approach me from a position of personal connection, if they decide they want to join our consortium of actuaries and our lifestyle business, knowing that our existing relationship will improve their chances of being accepted. In a sense, I've already become a type of client, even though we're not yet technically doing business together, because they're already building their brand recognition with me personally.

By way of contrast, these days when someone approaches me out of the blue, wanting to get involved with our business, but they have no online presence in this space, and we have no existing relationship or mutual connections, I'm going to be far less inclined to add them to the team. Compared with those colleagues and contacts with whom I already interact, this person will inevitably seem distant and unfamiliar. I might also suspect that they haven't embraced the digital world which is so central to our business ethos. This is a further disincentive to adding this person to our modern, forward-thinking enterprise, as it suggests that they may not be a good fit for our organisational culture.

Using technology and social media to interact with clients, work colleagues, and industry connections has become a vital tool for building symbiotic relationships for modern professionals. This is what it's all about now. It's a brand new world, with brand new ways of doing business. In later chapters, we'll explore the topic of building your personal brand in detail. The key point to remember is that, today, the barriers to entry are extremely low. All you need is an enthusiastic desire to embrace this new paradigm.

As I hope I have made clear: I feel very positive about the future of work.

I need to stress three crucial points. Firstly, it's important to **be genuine in your online activity**. All your interactions, posts and comments must be honest and true to yourself. Don't ever try to fake it – there's no point in lying about your achievements or values, because your audience will see right through you. Perhaps not immediately, but eventually they will, and inevitably. The personal nature of these connections means that people will come to know you well enough to recognise dishonesty, and any goodwill you've built will be destroyed forever.

Secondly, **curate your posts with care and sensitivity**. There's no need to be overly radical or provocative when expressing your views. You don't want to come across as a loose cannon, the kind of person who will disrupt meetings and get in people's faces. You want to come across as someone pleasant and easy-going, someone people will enjoy having around, someone with whom they can have sensible, productive conversations.

Finally, **comport yourself with the utmost professionalism**. Be discreet, positive and courteous at all times. Acting unprofessionally, or failing to think before you

speak, will inevitably ensure that you are relegated to outsider status, and you will be viewed as untrustworthy.

We'll expand on these three points as part of the chapter on corporate professionalism, but I don't think there's anything outlandish or unreasonable about these recommendations. If you feel that adhering to these principles is too much to ask, then I doubt that this strategy in general will be suitable for you. That's okay: one size does not fit all. In that case, my advice would be to restrict your social network to personal use, and keep your personal and professional connections entirely separate.

Technology has also changed the way in which individuals and companies now build their client base. Social networks specifically designed for business use, such as LinkedIn, have drastically reduced the need to attend industry symposiums or networking events.

In the past, conferences and symposiums were an important part of business. If you were a senior partner in a particular industry, a few times a year you would likely be invited to attend one of these networking events, which mean travelling to a conference centre, usually by air, and staying at a nice hotel. Of course, this would all be paid for by the company. On the morning of the symposium, you would try to interact with as many of the other attendees as you could, handing out business cards as you went. Throughout the duration of the symposium, you would attend presentations, join sit-down lunches, and take part in various other activities. These often tended to be hugely informative and useful, certainly, but the primary purpose of attending was to meet other players in the industry, in order to add valuable connections to your professional network, as well as offering the opportunity to discuss potential business opportunities, and the services the parties could supply to one another.

When you went to a symposium or conference, collecting business cards was of the utmost importance. The first thing you needed to do when arriving back at the office the next morning was to update your Rolodex with every potential new client you'd collected. Once this task was complete, you'd go about following up with every one of those new contacts to discuss, and ideally finalise, new business arrangements.

Of course, symposiums and networking events of this type still take place, and they are still useful in lots of ways, but the primary purpose of attending was always to

expand your network of contacts, and there are easier ways to do this these days. That's not to suggest that there are not other benefits to networking in person. These symposiums are often very enjoyable to attend, and they provide a unique experience, but that's not the primary reason why corporations would traditionally cover the considerable expense involved. Businesses traditionally made sure they had representatives at these events because doing so was ultimately good for business. But today, platforms like LinkedIn have fundamentally changed the game.

Finding out who the senior clients are in your industry is now very simple, thanks to tools like LinkedIn. You can interact with these clients quickly and easily. You can instigate conversations with them from your home office, limited only by your ability to grab their interest (an eternal puzzle, of course). By providing a new, additional route to making these connections, online services like LinkedIn now enable anyone, regardless of their budget, to build their professional network without attending a single symposium in person.

Nowadays, most conferences and symposiums allow people to attend virtually. So you don't need to miss out on the valuable insights and information you'd have gained by attending seminars and talks in person. Today, you can often interact remotely with the speakers and your fellow audience members at a live event, and even ask questions. I've spent entire days participating in fascinating, thought-provoking presentations, all from the comfort of my own office. If you want to argue that this new way of experiencing conferences digitally is somehow inferior, I'm afraid we'll have to agree to disagree. Personally, I'm now used to interacting via these digital channels, and find it to be an absolute pleasure.

Today, I can attend a business conference with my kids on my lap. I can even attend a conference while throwing a ball for my dog to fetch (I toss it out of the window next to my desk, and the pup rushes outside to fetch it and bring it back). I can get up from my chair, stretch my legs, grab a bite to eat, at any time I choose, rather than being stuck in a stuffy lecture theatre. I don't need to schedule a cross-country flight, I don't have to set an alarm to wake up early, and I don't need to subject myself to the hassle and traffic of an unfamiliar city. But this is not just about convenience and comfort of

working from home. Crucially, the way in which we build our contact lists has fundamentally changed.

Of course, one doesn't have to make a binary choice between remote networking and attending conferences in person. One option that managers should consider, to harness the best aspects of both approaches, might be to get their team together at a single location, and watch the presentations as a group. That way, you can get a good atmosphere of camaraderie at one of these get-togethers, while the whole team benefits from the information presented, processing and discussing it as a group.

I appreciate that much of this may sound like a radical new approach, but the fact is that this is simply how things work nowadays. Trying to hold onto the old methods is like wishing you could give up email and go back to telegrams. These inevitable shifts in how business is conducted have only been accelerated by the Covid pandemic and resulting lockdowns, as those who were resistant to change found themselves forced to embrace it. If you're still set against these changes, in my opinion you're in denial, and you're likely to be left behind .

Chapter Three – How We Treat Our Co-workers

I believe it's time to strike the word 'staff' from our vocabulary. I prefer to use the term 'work colleagues'. Why does this matter? In my view, the word 'staff' carries unwelcome connotations, beyond its precise definition, which are not desirable in a truly modern business environment.

Nobody likes the idea that their employer owns them, and language which stresses the fact that a person occupies a lower level within the organisation's hierarchy can give this impression, irrespective of how flexible or horizontal your corporate structure might be in practice. The fact that you're paying someone's salary does not make you any more important to the organisation than they are. And the fact that the company operates from a position of power, able to make decisions on whom it hires, how much it pays them, and when they should leave, doesn't justify using that power as a threat towards its employees, or minimizing their value in any way.

Now obviously I understand that a company has every right to exert these powers. But what I'm talking about is the attitude and culture of a business. Although our business model at Virtual Actuary takes a different approach, particularly in that we tie remuneration to individual contribution (and I'll explore that approach in detail later in the book), I still feel that any business model will benefit, dramatically, from ensuring that all its team members feel appreciated and valued. The key to maximising a person's performance at work is a comfortable working environment, coupled with the sense of security that comes from knowing their work is valued, as well as very importantly, understanding what they want to achieve in their career and helping them reach that goal.

Of course, when it comes to management, one size does not fit all. Some people lack the necessary skills to achieve peak performance without additional support. There are those who struggle to take initiative, others who have no interest in exceeding expectations, and others who benefit considerably from micro-management. On the other hand, we also know that sometimes managers attempt to boost their own status by failing to give credit where it is due, refusing to acknowledge or reward good performance, or they compensate for poor leadership skills by being inflexible and autocratic. It's no

coincidence that around 70% of all resignations cite poor management as a primary contributing factor.

Increasingly, many companies today recognise the gains that can be achieved by focusing on worker satisfaction and quality of life. These forward-thinking companies take on responsibilities not traditionally associated with an employer, such as ensuring their workers' nutritional needs are being met, or being flexible and accommodating around personal and family lives, so that team members are not faced with additional stress around school pick-up times. When a company strives to make its employees' lives easier, they can then focus on what they do best for that company.

When a company treats its team members simply as 'staff', they naturally regard their role as just another job, and they'll treat it as a step on their career path. In time, these people will inevitably move on to another job, and another firm, throwing your workflow off-kilter and disrupting the team.

But if you position your business as the destination, rather than a stepping stone, and work towards making sure those involved are satisfied and comfortable, with no desire to go anywhere else, they'll stick around. That way, you retain talented, knowledgeable, in-demand team members, and they will inevitably help the business succeed and grow. There's a chain reaction that takes place, which I've seen first-hand, when you have a core team in a thriving business. As the company grows and the team gets larger, the business can leverage this skillset, spreading it into more territories, and building larger production lines. And as everybody's responsibilities increase, so does their income and personal satisfaction.

At Virtual Actuary, our organisation is self-regulating. We achieve this, in part, by having a project-based system whereby team members earn more money if they are involved in more projects. Furthermore, the only way to join additional projects is to be invited to do so, and so what this means is that every team member has a strong incentive to ensure that working with them is as pleasant and rewarding as possible, and this applies to senior and junior colleagues alike.

The core, overarching theme of our business is that we are a lifestyle business for professional actuaries. As such, we believe in making all interactions with our business

as smooth and frictionless as possible, so our actuaries are free to enjoy life on their own terms. The flip side of this freedom is that you need to be responsible.

‘With great power, comes great responsibility.’

Winston Churchill

So, if you want to go to yoga at 2 pm, or attend your kid’s soccer match at 4 pm, that’s absolutely fine, but you’re still required to reliably produce work of the right quality and quantity. Now, working flexibly may require you to work some unusual hours, but the pay-off is worth it. We operate as a team and, if you’re a team player, the business will treat you as a partner, not just ‘staff’. In turn, this means that our team feel that this business belongs to them. This approach has worked tremendously well for us.

Another important aspect of our business model is that we pay the bulk of our revenue directly to the actuaries. Naturally, there’s no better way of driving home the relationship between a person’s effort and the company’s success than tying their remuneration directly to the results they produce. This is a big shift from the usual consulting model, where people work their arses off year in, year out, while the shareholders collect the bulk of the earnings, spend the rest on lavish offices, while the best a staff member can hope for is the uncertain possibility of a small annual bonus.

At Virtual Actuary, we are changing all that, and I know that other companies are going to follow our lead. We deliver better results, with lower overheads. We believe that this model is the inevitable future for our industry.

Chapter Four – How to Be Disruptive

‘Disruptor’ is one of those corporate buzzwords which get bandied about, despite the fact that often those using the term don’t seem to have a clear idea of what it actually means. We at Virtual Actuary pride ourselves on being disruptors, so before we go any further, it’s probably best to clarify precisely what we mean by this term.

Within any given industry, there are generally around five to six major players. These are the biggest companies operating in this space. They are usually giants, and seemingly unbeatable. Of course, there will be smaller companies too, often catering to a particular market niche, or limited to a specific region. For anyone seeking employment in this industry, their number-one goal will usually be to win a position at one of the biggest firms, as those are the companies that offer the best pay and job security.

But then, seemingly overnight (to all but the best informed), a new company will start getting mentioned regularly in industry circles. People seem to be impressed by what this new business has to offer, and all this word-of-mouth contributes to the growing hype. The new arrival is ticking a lot of boxes, sometimes boxes nobody knew needed ticking, and pretty soon they’re being adopted by those in the know as a firm favourite. Clients love the whole experience of using the company’s products or services.

What happens next is that all the other businesses in this industry, large or small, realise they have something in common. They know their ability to retain clients and profits is about to be disrupted.

Sometimes, an established company can squeeze out the newcomer, by simply replicating what they do. If this is the case, then the new company isn’t a true disruptor. There needs to be something at its core of the business that offers a fundamentally different customer experience to the established companies, something that the existing players cannot easily incorporate into their standard offering. If a big company can quickly incorporate this new feature or approach, it doesn’t qualify as meaningful disruption.

To be a disruptor means coming up with something which fundamentally alters the way your customer base interacts with your product. The important thing to remember is that your goal is not to disrupt an industry, but to *service* an industry. Disruption happens as a by-product, when you make the business-as-usual paradigm of the established

industry players obsolete, leaving your competitors incapable of competing unless they find a way to adapt.

That may sound all well and good, but how do you actually do it? Broadly speaking, there are two overarching approaches to being an industry disruptor. On the one hand, you can be a top-level expert, able to trailblaze new developments in your field. Perhaps you're the sort of industry player who might have patents registered in your name. On the other hand, you might be a total outsider, adapting the knowledge and experience you've gathered in completely different industries, in order to apply innovative methodologies which have not previously been seen in this field. Either way, to be a disruptor, you need to apply unique insights and ideas to the business model.

So far, this has all been quite theoretical, so let's look at a hypothetical case study. Imagine I decided to disrupt the laundry industry. Now, if my big plan were to consist of doing some research, finding laundry folding machines which are made in another country, import them and put them to work here locally, will I truly have 'disrupted' the laundry industry? Not really. Even if this turns out to be a successful strategy, my competitors can easily source the same machines and implement them in their own businesses, completely negating any short-term advantage I might have gained. In this situation, I'm not creating anything new, and the end result would basically mean I'd have done free market research for my competitors.

However, imagine that I approach the subject of laundry processing using my particular skills and experience as an engineer. I would apply myself to the challenge of designing and manufacturing machines which could handle some as yet unautomated aspect of the laundry process, in a way that improves efficiency and reduces costs. If I could do this, there would be a very different outcome. My competitors would not be able to simply spend money to outcompete me. In this scenario, I would have the potential to genuinely disrupt this industry.

There are lots of ways to succeed in this world, and being a disruptor is only one of them. I've already described the scenario of importing machinery in the laundry industry. Another model that I've seen used very successfully is when a company identifies a brand which is popular elsewhere, and becomes the exclusive distributor for that brand in a new territory. One example of this that sticks in my memory is a certain

clothing brand. I first saw this brand decades ago when I was in the Middle East. A few years later, I started seeing the same brand showing up in South Africa, where it quickly became fashionable. I've always admired this simple strategy of how you can make a successful business out of just finding the right brand and introducing it to an untapped market.

Of course, this is not easy to do, and nor is it without risk. You need the right brand, in the right market, with the right strategy. Only a few years ago, one of the world's most successful coffee brands opened up a number of branches in South Africa, but they've already decided to shut down their operations, after losing a huge amount of money. How did such a successful brand fail? In my opinion, the brand positioning didn't match their pricing. Compared to local coffee chains, they priced themselves as an elite, high-end, upmarket establishment, but their brand was one that presented itself as mass-market, like a Burger King or McDonald's. The pricing and the brand identity simply didn't fit. So it's clear that it takes a lot more than simply importing a strong international brand to get rich.

An alternative approach is to disrupt an industry in which you are an expert. Most experts never aspire to become entrepreneurs. Running a business is a skillset in and of itself, and for about 95% of the population, the highs and lows of striking out on your own simply do not appeal. Experts take the time and effort to become experts in their field because they're passionate about it, or uniquely talented in some important aspect. Most of the time, these skills are different to those that are required for owning and running a successful business. Why would an expert, who is probably already well paid, given their skills and profile, want to also become an entrepreneur? They might want to be their own boss, but starting a business is risky, and experts in one field generally recognise that they don't want to walk away from their reliably paying job.

People only tend to become entrepreneurs for a particular set of reasons. You might become an entrepreneur because you have an irresistible itch to do so, it's your true passion, and you'll never be comfortable any other way, or you might find yourself forced into it through circumstances you couldn't avoid, with no option but to either learn to swim, or sink like a stone.

In my case, I unfortunately began my career as a salesperson, having not graduated from university. In general, experts tend to be employees, who only have as much motivation as their employers are able to instil, predominantly through financial reward. There are exceptions, of course. Occasionally, after spending years in their industry, one of these experts will spot an opportunity, such as a gap in the marketplace that they feel they can break away to pursue, and that presents a tempting opportunity to get out of the rat race and build something meaningful and successful for themselves.

However, these gaps in the market only appear rarely, and an expert breaking away to pursue one happens less often still. In most cases, the fear of financial uncertainty, when one is already in a position of stability, is enough to dissuade people from striking out on their own. Generally, most experts will work as employees for their entire careers. They may talk about their own big ideas, and the projects they plan to one day launch. You'll probably hear them speak confidently about how they're going to one day change their industry. But you know what they say: talk is cheap.

The distinctive quality that defines a disruptor is something that I like to call the 'observer' trait. Being an observer is the key difference between these two types of expert. It's about more than just being privy to the inner workings of an industry. Observers watch with purpose. Their deliberate intention is to gain insight so that, when they inevitably break away, as they absolutely intend to do, they can apply their knowledge to fundamentally change or disrupt their industry.

Of course, it's true that some employees without this trait nevertheless do break away and form their own competing businesses. These businesses can sometimes be successful, or even disruptive. After all, if you throw enough darts at a dartboard, you'll occasionally hit the bullseye. The difference between these accidental disruptions, and the successes of true disruptors, is that those with the observer trait painstakingly dissect their industries, construct plans, and take action once they are confident that they're going to wipe the floor with the competition. To become a true disruptor, you need to be an observer first.

The observer trait is generally found in those people who are naturally curious. To be an observer means asking a lot of questions, both when faced with new concepts, and when new information challenges your opinions on existing concepts. An observer needs

to be able to analyse the answers to these questions, and not be afraid of, or resistant to, changing their mind. When a client does something unusual, you need to have a desire to understand their reasons, and to investigate their motives. You should avoid forming rigid or uninformed opinions. An observer will apply sound epistemology to every piece of information they absorb.

The observer trait is one of three indispensable traits of effective disruptors. The benefits of observing with a curious mind are augmented by being outgoing enough to ask questions, and then question again, and to keep questioning until that curiosity is fully sated. Finally, it takes a certain degree of bravery to act on your plans, bringing everything together.

For any of us, putting a plan into action takes a lot of hard work. It would be wonderful if success was as simple as recruiting a programmer or two, handing them a specification, and then sitting back to watch your app grow to become number one on the app store. But if it were that easy, everyone would be doing it.

Steve Madden is a perfect example of someone who disrupted a long-standing market, and who clearly displays the observer trait. Steve would stand for hours on end outside the stores of his competitors, asking their customers what they liked about the shoes they were buying. He observed how the customers interacted with their shoes, and he even occasionally bought the shoes off someone's feet to use them as inspiration for his own creations. This confident, outgoing attitude towards interactive market research granted him tremendous insight into the latest trends. As a result, he consistently succeeded in launching just the right product at just the right time. Many of the top brands competing with him employed talented designers, putting them to work in lavish studios, designing amazing footwear. However, their approach to determining what their customers actually wanted was not calculated using the same pragmatic, consumer-centric process.

Another key to Madden's success was that he built a small factory for producing prototypes in the basement of his main store. There, his team could make samples of a wide range of innovative shoe designs, take them upstairs to the sales floor, and get instant feedback from customers. The reactions of these customers would be collated and acted upon. The company was constantly adjusting and readjusting their designs,

until they reached a winning combination of look and feel. Only at that point would they move forward to mass production and distribution to stores.

Industry experts don't always come from the places you'd expect. Quite often, an expert will have progressed along a circuitous career path. For example, consider caddies who go on to become professional golfers. As caddies, these people have spent hours and hours observing and learning on the course. At the same time, they have been working on their own game, so when an opportunity arose, they were in an ideal position to heft their clubs and manoeuvre their way into becoming professional golfers themselves.

Perhaps you've been a regular at a golf course and met a caddie of this type. You might never have thought of them as a serious golfer themselves, despite the excellent tips they gave you. But of course, these caddies are in a perfect position to reach the top of the game, because their time as an observer has put them there. On the other hand, if they're too afraid of losing their reliable income, they might never take the necessary risks to go on to become an actual professional golfer.

When experts like Steve Madden capitalise on an opportunity to become a disruptor, it's invariably as a result of their time as an observer. Because they're paying attention, at some point they're highly likely to witness a uniquely effective technique, or come across an unusual new tool or concept. The breadth of their experience and understanding is such that there will come a moment when they think to themselves, *Hold on a second... If I can get my hands on a piece of equipment, or have it produced using this technology, and combine it with that technique I once saw... then I might just have something that can solve this problem I'm constantly hearing about.*

Being alert to problems, or 'pain points', is a crucial skill. An observer will pay attention to these things. The more angles from which you're able to approach your solution, the better. There are no silver bullets in business, but if you're an industry expert with insider knowledge, being alert to pain points is one of the key things which will determine whether you have the makings of a disruptor.

The following is my story. I spent nearly ten years working as a recruiter of actuaries. I interacted with actuaries every day, for hours at a time. I understood how companies in the industry operated. I saw how the various, different companies facilitated

or hindered the actuaries' productivity, how some of them created a feeling of esprit de corps, and the factors that truly mattered to actuaries when choosing an employer. I knew exactly what the industry norms were. As a result of all this research, and all this observing, I knew that if I opened a consulting business, and I tweaked and changed our approach to interacting with corporate entities, I might be able to find a solution that would improve the experience for clients, as well as for the actuaries who were working with them. I identified a few key issues which were not being dealt with, despite being there in plain sight, simply because the industry was used to tolerating them.

I'll expand on this story in later chapters, but the relevant point here is that I noticed that the large consulting firms were stuck in a culture of lavish spending, wasting money on superfluous frills like large, opulent offices. By implementing a lean approach to our business, we systematically eliminated all unnecessary expenditure. I believed that prospective clients would notice this, and appreciate the savings we passed on to them through reduced fees.

I also noticed two other things. Firstly, the large firms were paying salaries which were significantly lower than what they were charging clients for the actuaries' labour. My policy was to remunerate our actuaries at no less than 82% of the revenue their work brought in. This equated to much higher earnings than they were accustomed to, provided they could handle the risks associated with their salary not being guaranteed. We would offer a contract long enough to mitigate this uncertainty – which would hopefully feel something like the security of a salary – and invite them to become part of the business.

Secondly, I noticed that the independent actuaries – by which I mean those who were not technically employed by an established firm – had a single, major problem when it came to scaling their operations. At a certain point, the only way for them to further build their business, and leverage their knowledge and experience, was to hire a junior to take over a portion of the workload. But these actuaries were people who were accustomed to working as a solo, professional contractor, so taking on staff would be a huge adjustment for them.

In particular, they would need to commit to paying a new employee a salary, but they would have to make this commitment before they could actually acquire the additional work which would put them in a viable financial position to justify taking on an

employee, and without any guarantee that this additional work would be forthcoming, or consistent in the long term. If they needed to scale down again, they would then have to terminate the employee, which is in itself a task with potentially significant emotional, financial and legal consequences. Our business addressed this issue by forming a consortium of professional actuaries. This made it possible for each of them to scale their operations much more flexibly, at will, because they could rely on one another to provide assistance when necessary, without having to hire a full-time employee.

Through my ten years as a recruiter, I'd built a fantastic, close-knit network of skilled professionals. This proved to be the indispensable 'secret sauce' that made the whole endeavour possible. We built and expanded our teams quickly and efficiently. One of the most difficult aspects of setting up a consultancy is the challenge of trying to rapidly acquire the right talent, all the while keeping pace with the volume of clients and the needs of your firm. If you acquire talent too quickly, this increases costs. But if you acquire talent too slowly, you undermine the delivery and quality of your service.

In all these respects, my experience as an observer was instrumental in bringing everything together.

When we launched our company, there were several factors which meant we were able to disrupt the industry. One of the most important factors was that our competitors were stuck in their existing business model – whereby profits were earned by renting out the labour of salaried employees, while the senior management kept the lion's share to themselves – and this was felt to be effectively immutable.

The entire business model of these companies was founded on the premise that the company would shoulder the risk of not finding enough work for every employee to be operating at capacity, in exchange for paying those employees significantly less than their market value. For these big companies, there was a certain, undeniable logic to this approach. For an established company, with even as few as ten employees, the risk of taking on one additional employee, before new work is secured, is significantly lower than the risk faced by an individual practitioner of being out of work. This risk disparity can lead to exploitative practices, such as staff being pressured to achieve unreasonably ambitious targets just to keep their job, or earn the bonus on which they're depending. Without such

a disparity of risk, top management loses the leverage necessary to justify this imbalanced remuneration.

But by flipping this model on its head, we completely transformed the market, and now it is much more difficult for those established companies to be considered the 'employers of choice'. As a result, it's now much easier for us at Virtual Actuary to attract the best talent, in a virtuous cycle which means we are able to offer the highest levels of service to our clients.

If you've had any experience working as a recruiter in a market of professionals, you probably recognise much of what I'm describing here, as much of this is common to lots of industries. One of the challenges recruiters face is that successful professionals often tend to stay put if they have a stable, secure situation. It's not easy getting high-income professionals to go through the hassle and stress of going out to interviews and dealing with job offers.

Making progress in your career can be a hard slog; you don't do it because it's fun. But, if you believe what you're involved in serves a higher purpose, you will approach each day with gratitude. The life of an observer is such that, if you keep a smile on your face and embrace your work with a genuine desire to learn and grow, you can spot those gaps and opportunities that occur, and convert them into your own personal success. But timing is important. If you try to throw your weight around without having first learned the lessons you need to learn, there's a danger you'll be written off. Your lack of experience could mark you out as a hot-headed windbag, who has big ideas but no substance.

Chapter Five – How to Disrupt as a Total Outsider

It would be wonderful if we could all just select an industry and disrupt it. But of course disruption is not as easy as it sounds, in any industry, even when one is an expert. So how do you go about it in an industry where you are an outsider? It takes a remarkable degree of optimism to believe you can upend the status quo of an industry in which you have no experience. In this situation, a modicum of ignorance can even be helpful, as it can remove some of the fear to not really know what kind of challenges we are faced with.

I believe that fear is a habit. There seems to be a specific part of our brains which develops and grows more prominent every time we fail at something. The more we try, only to fail, the greater our fear of failure becomes. We all know how much failure can hurt. If we fail too often, that fear can become overpowering, and the pain and disappointment can be inflated out of all rational proportion in our minds. Furthermore, as we get older, our brains can become rigid, calcifying this self-doubt, making us unwilling to risk that stinging feeling of falling short. Eventually, we stop trying anything new at all.

This is why young kitesurfers often make faster progress than older ones (you'll come to learn that I'm a huge kitesurfing fan). The lack of fear that comes from their lack of experience allows them to take more risks and push their limits. As a result, they improve and break barriers faster, before the fear of crashing starts to loom more heavily. Of course, it also helps that, when they do crash, their younger bodies do not suffer nearly so much.

This innate response to fear was probably very useful for our distant ancestors. When you're facing the risks of predators, enemies and other dangers in the wilderness, a certain degree of reinforcing self-doubt is clearly beneficial. It's good to know the limits of how far you can leap, or to be afraid of falling down the ravine and dying. Courage is admirable, but the tribesman who has a sensible fear of wrestling a crocodile is the one who is most likely to survive.

However, this habit of fear can be extremely damaging to innovators, in the context of our modern society, when the only way to succeed is to try with all your might. It's a tricky thing to fight the instincts our species has honed over millennia while avoiding predators in the wild. It takes a lot of effort to dismiss all that fear and doubt, and throw yourself into the next challenge. Too often, fear wins. We become cowed,

docile, and powerless against the spectre of our next failure. But today, our survival, or at least the survival of our business, can depend on taking risks and trying new things. We have to remember that, while caution and fear may have had some survival value at the level of the individual, we are also a part of that species that tamed wolves, attacked mammoths with pointy sticks, and brought the hot, scary orange stuff inside the cave. Despite the fact that we are furless, slow-moving apes, with no natural weapons, we literally rule the world. We cross oceans, span continents, and even voyage into the solar system. Within a single generation, we made the phrase 'the sky's the limit' redundant. Humans didn't accomplish any of these things by being averse to risk.

When you're trying to make change happen, the phrase 'Do you know how difficult that's going to be?' can be extremely damaging. Luckily, I have a mantra of my own: 'If I knew how hard it was going to be, I would never have done it.' You'll hear variations of this mantra everywhere, and I work hard to follow it myself. I don't overthink the difficulty of new challenges, or how long they will take me. I find it far more effective to just give every day my best shot, and only measure how far I've already come.

As counterintuitive as it may be, outsiders have a number of advantages. The outsider typically doesn't understand industry politics, or know the received wisdom. They don't know the history of others trying and failing certain ideas. So when an outsider sees a promising opportunity, they just go for it. And with this outside perspective, and a bit of luck, they can avoid enough pitfalls for their concept to gain some traction and momentum. At that point, they are encouraged by their own progress.

How does the established industry react when an outsider starts making waves? You might hear people say things like, "Wow, that doesn't happen very often," or, "I'd have expected so-and-so to put up a fight," or, "I didn't expect the market to react favourably to this," or even, "Yeah, they tried that back in the 90s and lost their shirts." This response is equivalent to how our brains respond to fear, preventing us from taking risks and conquering a previously insuperable obstacle. The received wisdom within an industry creates fears and obstacles that grow over time, dissuading even experts from improving, or perhaps even revolutionising, their industry.

But even a great idea is not enough. Great ideas don't always succeed. Great ideas can come ahead of their time. They can be hampered by technological

limitations, the state of the economy, or any number of other issues, and not gain traction when introduced into the market. Years later, the same idea might rear its head, at a time when perhaps the technology has caught up, or the economy is in a better shape, and suddenly everything aligns in such a way that the market is ripe for disruption. Good timing and a measure of luck go a long way towards a disruptor's success.

Consider the tablet computer. As far back as the 1980s, companies were trying to produce and market mobile computing devices. In the 1990s, big corporations like AT&T, Atari, Samsung and even Apple threw themselves wholeheartedly into the task of launching a viable product, all doing so without real success. In the year 2000, Microsoft launched the Microsoft Tablet PC, coining the term 'tablet'. Bill Gates predicted that tablets would become one of the biggest products in the tech space by 2005. His prediction was only off by five years, but that was enough to prevent Microsoft from becoming the disruptor responsible for the commercial success of tablet computers. In 2010, Apple launched the iPad, finally finding a winning formula to galvanise consumer interest in the tablet.

Bringing a fresh approach from a different context can also be helpful. Looking at your own market, and asking why it doesn't operate the way another industry works, can lead to powerful ideas. But it is not always easy to adapt lessons from one industry to another.

It's important to note that applying these approaches in a practical way, turning your ideas into actions, usually requires your full-time effort and focus. People can enjoy success with part-time gigs or so-called 'side hustles' alongside their day job, and these can sometimes provide a springboard to greater achievements, but the truth is that you don't often see people with a full-time job disrupting markets in their spare time. If you plan to disrupt an industry, you're going to need to give it your full attention. When starting a new project, 99% of people reach a point where they give up, because they don't feel able to go the distance. When you reach this point, the only solution is to dedicate yourself, and give 100% of your energy to see it through. So many great concepts never reach their full potential because of someone's failure to dedicate as much attention as the project needs.

Having a great idea is not enough. It takes a lot of sweat to break into a market and shake things up, and doing this alongside your day job is almost impossible. Even if you could summon the superhuman levels of energy required to both work your day

job and turn your revolutionary idea into a reality, you would still find yourself faced with tremendous logistical hurdles.

The truth is that great ideas are everywhere. People have them all the time. Human beings are an incredibly inventive species. But an idea is not enough. The challenge is the exhausting process of taking a concept, testing and proving its viability, and generating sufficiently broad appeal to gain mass adoption.

All of this means that becoming a disruptor from the position of an outsider is incredibly difficult. You will have to demonstrate that your way of doing things is better than the available alternatives. You have to be able to educate and inform your target market, because even if you have the best product, if nobody ever hears about it, or understands what sets it apart, you won't have customers. Introducing a new product or service to a market takes a very particular skillset.

The advantage you have is that there will never be anyone better equipped to explain your offer than you. People often opt to bring in a partner to handle the sales and marketing, customer-facing side of the business, but I would urge anyone to think twice before doing this. You need to ask yourself: *Will this person ever have the same in-depth knowledge that I do? Will they be equipped to answer deeply technical questions, as I can?*

As an outsider, you will have to work harder to win the confidence of your customers. You won't have the same credibility as established companies in your sector, and you won't be able to point to a list of testimonials or previous success stories. If you want to win the trust of your customers, you'll need to demonstrate complete mastery of the subject matter. That will be the key to convincing your customer to even try your product or service.

But for all these challenges, there is something wonderful and exciting about taking a technique or product from one industry and adapting it for another. It makes for a great story.

We've now looked at disruption as an expert, and disruption as an outsider. The third approach to disruption is to form an innovation hub within a well-established business. The aim of this approach is to explore, research, or otherwise put experimental concepts to work within existing revenue streams, or by improving existing revenue streams, or even developing new revenue streams.

To build an efficient innovation hub you need to find highly innovative individuals, and put them into positions that allow them to innovate. I must admit that

I am somewhat sceptical about this approach, because trying to produce disruptive ideas within a traditional business model can feel forced and artificial. Disruption generally comes from inspiration, which occurs when it is least expected. The innovation hub approach may have a lot of potential, and it is probably a good idea for established businesses to try if they don't want to stagnate, but there is a risk that it can feel like a sort of forced disruption.

So I do have some reservations about innovation hubs, and their attempt to manage and schedule disruption. Disrupting an entire industry is often a slow, laborious, deliberate process, where the disruptor has conducted considerable research, gathered all the data, and then timed their move to perfection. It's a process that generally demands the skillset of the observer and the outsider, not the salaried employee. Innovation hubs attempt to 'outsource' these skills, with the aim of artificially replicating an individual disruptor in-house, by spending money on the kinds of people who seem likely to come up with innovative ideas. But if the right people do get hired, in the right circumstances, I can certainly see that innovation hubs can achieve amazing things.

So, what is the mindset of a disruptor? I've grappled with this question for a long time, and I believe the best way to explain it is by way of an analogy. Consider that consummate cowboy hero, the Lone Ranger. We don't need to concern ourselves with the specifics of his story, or the Wild West. What is important here is the Lone Ranger's character, his approach to the challenges he faced, and the way he would handle each situation that came up.

Once he'd accepted his role as a hero, the Lone Ranger didn't wait for a posse before taking action. He wasn't part of the sheriff's mob. He would go it alone, with his horse and his pistols – he wasn't called the Lone Ranger for nothing, after all. His attitude was a simple one: *There's a problem. The people are screaming. I'll sort it out. I'll solve the problem. I'll deal with those bandits, and then I'll ride away.* A disruptor needs to be able to act decisively.

I feel that this term 'disruption' gets overused these days, and often misused. My definition of disruption is a shock to how things have operated in the past.

In the past, the way it would work is that a new company would enter a market and have to grow organically. It felt like there was a sense of respect for the established businesses in the market. An incumbent would not pick fights with the big

fish. There was an unwritten rule that cheeky behaviour was taboo. Acting in such a way would mean you could be perceived as unserious, or unreliable.

Around the year 2000, as we moved out of the chaos of the dotcom bubble, new service providers began to appear, and some were quickly able to start competing with well-established brands. As internet use exploded, a fast-paced, winner-takes-all arena began to take shape. Amazing technological advancements and aggressive marketing led to a rapid, global adoption of the internet, and as a result many older business models quickly became redundant, thrown out along with obsolete tools of the past like the fax machine.

The way these companies were able to proliferate led to terms like 'exponential growth' entering the everyday business vocabulary. In this new world, it became clear that great ideas now had the power to make a massive impact.

So what kind of person makes an effective disruptor? It seems to me that disruptors tend to be rather lonely characters. It doesn't come naturally to disruptors to seek out like-minded peers and band together to build a business. Disruptors usually have a vision that they strive towards, and they are not concerned with obtaining the approval of others before choosing to take action. A disruptor might sometimes take on a partner, but this partner is rarely another disruptor type. Disruptors, in my experience, don't seem to be drawn towards other disruptors, nor do disruptors generally seem interested in compromising or making concessions, in the interest of reaching consensus. A disruptor is a sole visionary.

Furthermore, disruptors are not always successful on their first attempt. In fact, it's my impression that this is rarely the case. Looking back retrospectively, an entrepreneur's achievements often appear to have been inevitable. That's because, in hindsight, we tend to gloss over the struggles, the setbacks, the lonely periods when nobody believed in them, and the hard work they had to put in to earn that success. Hindsight puts a rosy sheen on the process, making everything look like it came all too easily.

A true disruptor will not be satisfied with their achievements for long, even if they have succeeded in disrupting an industry. Disruptors aren't the type to bask in their new status and call it a day. On the contrary, the knowledge that there is more to be accomplished makes them restless. Furthermore, disruptors are particularly alert to the risk that they may be threatened by other disruptors, as they have personal

experience of how the complacency of an established business can play into a disruptor's hands. For a disruptor, this means resting on their laurels is unthinkable.

The company I founded, Virtual Actuary, started out as a small operation consisting of just me and my wife. We then brought in our secret weapon Johan Vrolijk and made him the CEO. What a great decision that was! Johan who together with some excellent colleagues, helped us to build the business that exists today. Virtual Actuary is still in its growth phase, and I fully appreciate that our level of success would not have been achievable had it not been for the contributions of our exceptional colleagues. Consequently, as our business grows, our ethos is that everyone involved will benefit from higher remuneration, greater responsibility, and personal satisfaction.

This is another facet of that Lone Ranger mindset: it's the instinct to act without hesitation, and to tackle a problem for no better reason than that it exists. We all need partners and allies in this world, but disruptors don't need people who are the same as them. Remember, the Lone Ranger would not have been successful without his friend Tonto. He'd have died many times over if it were not for Tonto's support, but it wasn't Tonto who made the Ranger take action. It was the Ranger who inspired Tonto to help him in his crusade against injustice. It was the Lone Ranger who had a vision of how the world ought to be, and the confidence to take action towards that new reality. That confidence to take action is possibly the Lone Ranger's most valuable trait.

Because, fundamentally, the business of being a disruptor is a confidence play. A disruptor doesn't explicitly set out to be a disruptor. Being a disruptor is not the end goal. Being a disruptor is simply the means to the end. When you act on your big idea, in the right way, it will be in the service of a particular vision. If that vision is achievable, it should prompt a particular type of reaction from the industry. Hopefully, your competitors will struggle to adapt, and be unable to counter your move. They should find themselves faced with a significant problem that cannot be easily dealt with. When you have an idea that is this powerful, it's not easy to implement. As a result, the core of your business model should be to deliver a significant improvement on what is currently being offered by your competitors.

One has to be careful when talking about disruption and the nature of a disruptor, as people can interpret it in the wrong way. You don't award yourself the title of being a disruptor. Claiming to be a disruptor is generally a bad idea, as it can be

perceived as arrogant and egotistical. I never refer to myself as a disruptor, but I do believe I am in a position to speak with some authority on the topic.

Although I've never declared myself to be a disruptor, it is my experience that once Virtual Actuary started operating, customers and colleagues began to tell me that our business looked like it was going to disrupt the long-stagnant market that we were targeting. In response, I would say something like, "Well, it's nice that you feel we're a disruption. But we're just doing our best to participate in a market which has entrenched barriers to entry." In the beginning, we were just trying to gain some momentum and avoid sounding cocky, but it soon became evident that we were having an impact, so without us ever claiming the term, we were soon being described as disruptors by other people.

Now that we have been in business for a few years, I have come to accept that our business model has proven itself, and our track record of our business is one that meets the definition of disruption. However, the path to success is a long and winding road, and we are only 10% of the way to our goal. So, like the Lone Ranger, we ride off into the sunset, with the knowledge that we have many more battles ahead.

Chapter Six – Windsurfing: A Case Study in Industry Disruption

If we look for examples of industry disruption, there are the obvious ones like Uber, Airbnb, and the like, but I'd like to explore something a little different. People often focus on the most recent tech disruptions, but by doing this you risk creating the impression that disruption can only happen through some clever technological breakthrough. So instead, let's look at windsurfing.

Windsurfing is a fairly simple sport which requires an oversized board with a long mast and a large sail. At one point in time, it was arguably the most exciting sporting activity involving wind and water that there was. So what are the ways in which it might be improved? The classic, iterative approach would be to try and make the board bigger, or produce a gigantic sail, or a longer mast, to allow the windsurfer to go higher and faster.

But that isn't what happened. Instead, a group of industry disruptors changed how they interacted with the environment, and created something called 'kitesurfing'.

And so windsurfing was disrupted, not by developing along the same lines as before, but by the invention of something new.

So what is kitesurfing, and how does it differ from windsurfing? Firstly, the originators of kitesurfing made the board smaller, not bigger. Instead of a mast and a sail, the sport uses lines and a kite. It's significantly more dangerous, but it means kitesurfers can regularly launch themselves twenty metres into the air, rather than just four metres, which is about the limit for windsurfing.

The advent of kitesurfing also addressed one of the significant disadvantages of windsurfing. The large boards required for windsurfing are awkward to carry to the water, making it harder for people who are smaller or less physically strong to participate in the sport. Windsurfing boards are also difficult to store and transport, which means that trying to take your board on holiday is a logistical nightmare.

Kitesurfing wasn't just a better adrenaline rush, it was also more convenient and accessible. With the emergence of kitesurfing, it became clear that windsurfing had had its day. That's what it means to be a disruptor. It's not simply a matter of bigger, better, faster. It's about changing the paradigm.

I love this analogy because I myself am an avid kitesurfer. When I start to unload my gear from the car, I can already feel the excitement. When I'm pumping up my kite, that excitement continues to build, as I anticipate the intense, adrenaline-pumping thrill ride I am about to enjoy. And unlike surfing, where you spend a lot of time waiting for a decent wave, the thrill of kitesurfing lasts for an entire hour.

Windsurfing still exists, of course. I often see windsurfers joining us on the water. But what must they be thinking? When they see us launching ourselves into the sky, flying through the air high above their heads, outmanoeuvring them at extraordinary speed, I wonder: do they feel jealous or inferior? Similarly, when I think about the founders of established companies, whose industries are in the process of being disrupted, I imagine myself in their shoes, and I wonder if they must feel the same. How could they not?

Hold on, I hear you say. If the windsurfers truly felt that way, they would simply take up kitesurfing. Well, it's possible. But remember: the windsurfer has invested a lot of money into their hobby. All that equipment is not cheap. And more importantly, they've invested time. The hours upon hours spent learning how to windsurf taught them skills that aren't entirely transferable to kitesurfing. There's quite a difference between their current level of skill at windsurfing, and where they'd be as a novice

kitesurfer. The learning curve to get up to speed in a new sport could be challenging and time-consuming. It's not easy to move from one skillset to another. So people often tend to hold on to what they have, even if they recognise that they are victims of disruption. There's a human cognitive bias called the 'sunk cost fallacy', which is relevant in these situations. It's a tough mindset to overcome.

Perspective also plays its part. Nobody sees the world in the same way as everybody else, and some people see things in a wildly different way than you and me. Something that seems obvious to you won't necessarily seem obvious to somebody else – quite the contrary. When people have firmly held opinions, they tend towards confirmation bias, which means they are very likely to reject new information, regardless of how compelling it may be. When someone has been a part of an industry for a long time, their opinions on that industry and its business model are likely to become entrenched, particularly if they've been successful. I suspect that it's the rigidity of that type of opinion that causes so many people to dismiss the evidence that they are in the process of being disrupted by a new challenger in their space.

People in such situations will often make excuses. These excuses might not convince anyone else, but they can make that person feel less anxious about the sudden threats they're facing. For example, you might have heard older yellow cab drivers dismissing ride-share apps, saying things like, "No no no, people love our service. You can't beat the overall experience of a yellow cab. We have a tradition, a culture, a history, and our passengers trust us. An app could never compete with that."

You may be thinking that my contention that kitesurfing is better than windsurfing is a bit subjective, and based on my own biases. But I'm sure that I can convince you. As extreme sports go, kitesurfing exceeds windsurfing by every metric of extremeness. You can kitesurf faster than you can windsurf, it's more dangerous, which leaves less room for error, and therefore demands more skill. If it's an adrenaline rush you're after, kitesurfing is the clear winner.

Here are five things I've learned about business from kitesurfing:

1. Take it one step at a time.

Learning to kitesurf is one of the most challenging things I've ever done. It's highly technical, and a lot is going on at once that you need to be mindful of, just to survive. It takes time, and you can spend close to a year working at it to get up and riding. There's only one path to conquering the challenge, and that's to take it one lesson at a time, one day on the water at a time and, eventually,

if you're consistent, you'll have that time in the bank, and you'll be up, riding those waves, and having fun. In business, it's just the same. For any big project, you need to take it one step at a time. Focus on what you can do today to bring you that one step closer to your end goal. Do that consistently, do your best every day, and by the time you stop to look behind you, you'll realise just how much you've achieved.

2. Choose the right partners.

Even in the calmest weather, kitesurfing can be super dangerous. On those days when the wind is howling, and the waves are towering up high in the air before they crash against the shore, you need the support of experienced friends who know what they're doing. That way, if and when things do get hairy, you've got each other's backs. They'll be there to fetch your board and drag you back to the shore, or just be there to keep your spirits up as you struggle to get your kite back in the air. Similarly, in business it's crucial to have the right partners, for those aspects of a project that you can't handle on your own. Riding solo in a storm is, to put it mildly, not advisable.

3. Look after your tools and infrastructure.

When kitesurfing, your equipment has to be well maintained and in tip-top condition. You're trusting your life to this equipment, so you cannot compromise on quality or reliability. Check it every time you go out on the water. If your equipment fails during 40-knot winds, you might not have the opportunity to learn this the hard way. Similarly, your business can grind to a halt due to a failure of equipment, sometimes in ways that you could never have foreseen. You really can't afford the costs that come from not spending enough on reliable equipment.

4. Keep your composure.

When riding down a massive wave, you have to keep your kite as low as possible, so that the wind doesn't grab it and pull you off the edge. By keeping your kite low, you can ride down the wave, staying in control, ripping the wave apart. But do not drop your kite in the water. If you do, it will get chomped, and you will get tangled up in your lines. At the critical moment, you have to keep your composure, using the faintest of touches, to maintain 100% control of your kite, as it floats inches above the water. Similarly, a big-match temperament is everything in boardroom meetings. Don't drop your kite.

5. Hold your course.

Lastly, when kiting out towards the big waves, you will see the oncoming wave building in front of you, and if you time it right, you'll get over it just before it crashes. Often, it will seem like you can't make it in time. Do not back out and turn around. Go for it! 99% of the time, you will make it, using the wave as a ramp. If there truly isn't time to back out, and the wave does crash right in front of you, dip your front foot into the water, tuck your head in and go under the wave. If you hold on tight, the wave will crash with you under the water, and you'll make it out the other side. See? You made it. Don't let your default be to turn around. Usually, that split second before the wave crashes is where you'll find the best part of the ride.

Chapter Seven – The Cloud as an Engine of Disruption

Cloud platforms such as Amazon Web Services (AWS), Google Cloud and Microsoft Azure are disruption-empowering tools that you should get to know. In fact, these cloud providers are an example of disruption, as they have already transformed the technology industry's traditional approach to IT infrastructure.

In the past, it used to be impossible for small startups to challenge and threaten big, established companies. When starting a new venture, an entrepreneur would compare his startup to the wealthy, established players and conclude, *I'm too small to do what they do. I can't compete with them.* To try to rival the established companies, you'd have to have bottomless pockets, as this was the only way you could set your business up with the same in-house infrastructure they had. You would generally need to own this infrastructure, and have the machinery installed in your centralised office.

But today, that's all changed. You no longer need to empty your bank account to buy expensive equipment. Cloud platforms allow a small, one-person business to compete with big companies, without a big-business budget. Through these or similar IT cloud providers, you can have all the power of a commercial server, without the upfront costs. You don't need storage space for the servers on your premises, or a team of IT professionals to monitor and maintain them.

This is the route to disruption: leaning heavily on these disruptive platforms to help you run your business. Admittedly, you generally need a little technical know-how to set up these services, and you may need the help of an expert initially, but that is not a huge challenge.

Another great feature of the cloud platforms is that they are pre-emptive, because they understand their market and their offer: forward-thinking, pay-as-you-go convenience. These service providers understand that their clients are aiming to scale their business at their own pace, so it makes sense to them to offer you all the support you need to achieve this. And they do all of this without asking you to pay for the full gold-star service upfront. This is a fantastic approach, which is ideal for start-up businesses which are looking to leverage their server needs without crippling their finances. As you use these cloud services, you can gradually pay for more. It is a symbiotic model, because they know that if you grow into a sizeable company, you will use the server more and become a valuable customer.

Having access to services of this type also gives you a significant advantage over your competitors. Older, established companies with their own in-house servers and IT staff will soon inevitably find that their expensive systems are outdated, and they will eventually need to undertake the costly, difficult process of transferring their existing systems to cloud services. I believe owning your server hardware will soon be a thing of the past.

For example, take a look at the video conferencing systems that you'll often find in special-purpose boardrooms. These cost a lot of money to buy and set up. But they quickly become obsolete, and a decade down the line, they are inevitably worthless. In the past, only major corporations could host a large number of participants in such lavish video meetings. I remember how radical it seemed when I would set up such meetings in my previous business. Colleagues would have to go into their nearest location to carry out a teleconference all between two cities – which all seemed like a remarkable luxury at the time.

A further example of hardware that is rapidly becoming obsolete is the alarm systems installed in many of our homes. In the past, these systems consisted of a unit with a screen which would allow us to see which of the wire sensors in our home was active, and therefore which sensor had triggered the alarm. These systems didn't employ very fancy touchscreens. If you're a bit older, you may remember when the touchscreens on these systems became colour – oh boy!

But things have changed. My family recently had our home fitted with a new system. All the beams are now Wi-Fi enabled and battery-operated. There is no need for cables at all. Everything runs off an app on my phone. The security app is also able to record what it sees and store it online. What all this means is that, in the blink of an eye, an entire hardware ecosystem has become completely redundant. All the factories specialising in building these devices will shut down these operations.

There are plenty examples of similar modern services which are making our lives easier to manage, and adding to our comfort and pleasure. A few years ago, if you wanted to reminisce, you would pull out the family photo album. Today, I love to use Google Photos. Initially, I thought it was just a backup storage app – useful, if mundane. But it has proven to be so much more than that. For instance, I really enjoy its ‘on this day’ function. This shows you photos that were taken one or two years ago on the same day of the year. The software is also so intuitive it can show how your kids have changed over the years by putting together a montage video of them growing up. Amazing!

A related aspect of the Fourth Industrial Revolution that we often talk about is the paperless office, which is an excellent example of leveraging modern technologies to streamline business operations. In many ways, the paperless office *is* the Fourth Industrial Revolution.

I always advise people: try to eliminate printing from your processes. Every time you think that you can’t avoid the necessity of a physical print-out, look for alternative ways of performing that task that do not require printing. Once you’re able to operate for a year without printing anything, only then can you truly say that you’re running a paperless office.

But why is the idea of a paperless office so desirable? It’s not really about the paper itself, but rather the ability to become a miracle worker, someone who can make things happen seemingly out of thin air. The old way of thinking would be to say that we have meetings in a boardroom in person, we work at the office in a set way, with set hours, and we file things a certain way – we prize order and structure.

But I try to avoid these rigid, inflexible systems. Depending on the context, what we at Virtual Actuary aim for is the ability to have an idea, or field a call, from anywhere in the world, and to be able to deal with it there and then in a successful, professional manner. With the paperless office, we can link other people into the action, or refer to

other documents and files on the spot, while being able to immediately weigh up the options and make instant decisions, rather than procrastinating and delaying.

It's important for us that our office administrative tasks can be traced and recorded digitally. The ultimate paperless office follows these digital record-keeping guidelines. Imagine you are at the gym, and you receive an important call from one of your colleagues. Would you be able to remember the precise details of that crucial deal they're asking about? As your colleague sits at their desk, they might urgently need this information. What are you going to tell them? *Sorry, I can't help, that file is in my desk at home?* The key difference today between companies that just survive, and companies that thrive, is 500 little moments like this.

The paperless office will eventually become a screenless office. And the 'office' won't be a single place; it will become the anywhere office. Picture the scene: you're a 9-to-5 employee, taking your family on a weekend trip to a beautiful game reserve. You sit by the fireplace, thinking how wonderful it is to be there, but then you start chatting to the young lady on your right, who tells you that she, her husband and their three kids are at the game reserve for an entire month, while she conducts her business globally. She explains that she does this regularly. The kids do their schooling online, the husband is a keen painter, and she is the chief operations officer of an ecommerce site. You invite them to join you and your family for dinner, and they accept, but first she has to take five minutes to deal with an important client who ordered something a size too small; since this is a VIP, five-star client, she wants to make sure the supplier sends him the correct size in two colours, so that he will give them a great review. Imagine how you might feel at that dinner, as you contemplate heading back into the office on Monday morning. My guess is that you'd first be fascinated by their story, and how she operates her business. Second, you'd question everything you know about how you conduct your own business. Oh, and did she mention that she pays half price at the reserve because they are regulars?

Running a paperless office requires a few adjustments. You need to become comfortable reading long documents without printing them out. You need to have multiple screens. It makes no sense to only have a single laptop with one screen these days. The bare minimum you need is two screens. This setup allows you to have one separate document open while you answer an email, without needing to be constantly opening and closing windows on one small screen. My advice is to buy a massive second screen. Personally, I also have a travelling second screen. It's a special type

that doesn't need to be plugged into the mains, and only requires a connection to the laptop. The lighter cable load reduces its weight for travelling.

I know that some people enjoy using a highlighter while they go through documents. I can appreciate that, for some people, colours can be helpful, but you can easily recreate all of these techniques digitally. Frankly, anyone today who tries to seriously claim that pre-digital technology is superior is just in denial of reality. And this position is becoming increasingly hard to maintain. You will only be able to go so far before some event will make it clear that you've held out for too long. COVID-19 and lockdown is a perfect example of this kind of event, which demonstrated how unprepared many companies were. You might argue that a transformative situation like Covid was a one-off, a freak event, never to be repeated. I believe that it is just a taste of things to come.

Another reason for the paperless office is that, in the modern world, you want to be doing business with a global mindset. It is impossible to physically share documents, pricelists, accounting reports, task lists and payroll documents with those who interact with you if you're no longer all sitting in one room. In this very demanding new world, efficiency is king. Replacing that pile of papers on your desk with a folder of digital files on your desktop is a good start. Good, but not ideal. A well-organised folder system is vital.

Furthermore, you need to automatically back up your folders in various places, including physical storage devices like memory sticks or hard drives. Your aim should be to be ready to fly off anywhere in the world, log onto the net, and be able to work remotely without hassle. I still take my laptop with me when I travel, but I am aiming for something better in the future, by which I mean a kind of online workstation whereby I can log on from any computer, and still have secure access to all my files and folders. As life and business move faster and faster these days, it is simply not practical to operate in any way that is inefficient.

And this is not just about saving money. It is good for us to work a few hours here and there, away from our desks. Imagine truly moving into a world in which your work revolves around your lifestyle, rather than vice versa. You could go to that Sunday barbeque, and if an important email comes in, just step away for half an hour to deal with it. Your food will still be there, ready and waiting for you, and you'll have quickly and decisively dealt with the issue. Maybe that will mean you sleep an extra

hour in the morning, with less stress, because you don't have to worry about responding to that email before your 8:30 workout.

The paperless office is central to the concept of the full-time online work lifestyle. This is the lifestyle which many people are already enjoying today, the kinds of people who work online 24/7. They are the chat-room operators, forum administrators, programmers, and others who don't need to conduct any of their business in person.

This may sound bizarre to people who are used to working in a standard office environment. But working online full time is only going to become ever more prevalent. In anticipation of this new, immersive, connected world, I encourage my six-year-old daughter to enjoy as much screen time as possible. She learns a great deal from the things she watches, and even tells me how she is singing along with her friends on *Chip and Potato*. It brings me so much joy to know that her experience is authentic, and she's getting a huge amount of pleasure from it. She can count to 100, knows her ABC, and she can read a surprising number of words. She knows all her colours and shapes, her opposites, and remembers loads of the songs she hears. What we let her watch is almost always educational in some respect, and we monitor it carefully. This is a new world, so work digitally, and save the trees. The next generation is going to need them.

Chapter Eight – The Consortium

When looking to start a new business venture, you typically have four models to choose from.

Large Corporate

We're probably all fairly familiar with this model, as most of us will have been an employee of a large company at some point. So most of us will already have a good understanding of how large corporate businesses work. The goal is to climb the corporate ladder, starting out as a junior in a big company, and then over time proving yourself to your managers, in the hope of being promoted to a more senior role, with more responsibility and better pay.

There is something quite prestigious about being anointed as a manager in a large company. There are so many bonuses attached to this role. You're likely to

receive a considerable salary, probably with an end-of-year bonus. You get to participate in work which is important and rewarding. It feels good to have lots of people reporting to you, as it demonstrates that you are busy, valuable, and know what you are doing. Climbing the corporate ladder comes with a long list of benefits.

And with that higher status comes a better quality of life. You're likely to feel happier in your work, you have the money to go on holidays every year. Generally, you'll have a greater quality of life compared with those who are not as high on the ladder, or not earning as much.

In the past, you would usually have needed to stay at a single company for some time to achieve these results, but today, companies are increasingly bringing in external people who have a proven track record in other organisations to fill such roles. The ability to 'hit the ground running' is now highly sought after. In fact, within human resources, people have developed specific techniques for working out how well you will fit into an organisation, based not on your education, experience and personality, but instead matching examples of past performance and successes to the situations you will face in your new role. This kind of psychometric pre-testing is not just about matching your previous work experience, but much more than that.

Working for a big company has a lot going for it. The offices are always neat, centrally located, and generally in a large city. You get to meet lots of intelligent, interesting people who have done impressive things, as that's how they've earned their right to be in the building. And when you work for a big corporate, there's a certain status attached. You can swagger around, telling people things like, "We are the largest provider of this product or service," or, "When it comes to this and that, we have over 65% market share, and we are the leaders in X, Y and Z." Being able to lean on the organisation's success, commanding respect in any business dealings, brings with it a tremendous amount of satisfaction. And I'm not suggesting that this status and sense of satisfaction is not warranted. The company has built itself into a position where it carries this status, and it implicitly confers it when hiring the right people to conduct its affairs.

But with all this luxury comes enormous overheads and fixed costs, which lead to ambitious sales targets for the team, and considerable pressure to achieve the seemingly impossible deliverables. And if the company meets its targets, those employees who've achieved this will only receive a comparatively tiny percentage of the revenue. The clients indirectly pay for the fancy buildings and all the perks.

Beautiful reception areas do not come cheap. Most employees have to do their work in an open-plan office, and children and pets are taboo.

Small/Boutique Corporate

A different model is the small, or boutique, corporate. In this type of business, an individual or small group of people will organise funding, typically rent accommodation, and hire a handful of employees. Most of the profits will still go to the managers and owners.

The homelier feel of a boutique corporate may seem like a refreshing alternative to corporate life. However, I believe the meaningful differences are quite limited. The environment may seem more inclusive, the senior managers may appear more approachable, and the company may encourage a relaxed, informal atmosphere. However, certain fundamentals will remain the same, in order for the business to operate. In many respects, the mindset is the same as that of a large corporate:

- We need office space.
- We need a reception area.
- We need a boardroom.
- Everyone comes to the office most days and works there.
- We need to hire key personnel and pay salaries.
- We need to calculate our expenses and work out how long our money will last.
- We will pay a yearly bonus limited to a percentage of salary.

There are of course different variations of this, but these fundamentals are largely unavoidable: the need for office space, and the need for general overheads and a business-as-usual approach. The company will need a receptionist, a finance person, an HR person, a design and marketing person, and so on. All of these people will of course need salaries, and discussions of budgets will become inevitable.

The focus is then driven by the immediate pressure of covering all these expenses. How will the company cover this budget and all these salaries, before it becomes profitable? Inevitably, the conversation turns towards outside investment, as this business will not be able to get off the ground without an injection of capital. Within a short space of time, the organisational culture which develops in these businesses soon resembles that of a large corporate, particularly once outside investors get involved.

Another issue with this approach of launching a small boutique corporation is that the key founders are established at the start, and that is generally set in stone. It is then necessary to continue to split the earnings as agreed between the founders on this initial basis. Unless you come up with some kind of sophisticated performance contract right at the beginning, which I don't believe happens very often, you are generally stuck with this split of profits, regardless of the actual performance of each founder. In the first rush of enthusiasm, there is rarely any discussion of how profits ought to be split based on the ongoing performance of the founders, so this division is determined purely along the lines of the respective equity stakes.

If an outside investor comes on board, the usual model is that they will cover the budget for the first year or two, so the company can start hiring and conduct operations, until the business makes its initial costs back. When the company is finally making good profits, the original investor will always take the lion's share, to compensate them for the risk they took by putting in the money upfront to cover the early years. But this inevitably causes problems. If you, as a company founder, find yourself in year five of your thriving business that you founded and built, it is bound to seem unfair that the investor, who put in the money but did none of the actual work, gets such a large share of the profits now that the company is generating good returns. Therefore, starting a business in this flawed manner is a big mistake.

An alternative but equally flawed approach is to get the funding in the form of a loan, perhaps from a bank. You may end up spending the rest of the company's existence paying off that loan, which has such a steep interest rate that the payments are never likely to drop. Your career as a 'business owner' consists of you spending your life paying off an endless loan. When you need to expand, you end up adding to the loan, buying extra things, so as you grow, your debt grows with you. It's a trap.

You will meet plenty of people who live their lives like this. Their home is owned by the bank, along with their cars and almost everything else: their warehouse, their factory, their equipment, and so on. They are, in effect, working for the bank. They will tell you, "It's fine. That's how everyone gets started. Every business starts with a loan from the bank." But being in debt to the bank is not a great position to be in, and this is why many companies remain small boutique businesses and never expand.

Independent

Working independently, freelance, or as a 'gig economy' worker, means you are working as an individual, with a client base, filling roles in their projects on a contract-by-contract basis. Platforms that facilitate gig economy work include Fiverr, Upwork and Uber.

Freelancing has obviously been around for a long time. But having the facility to find freelance workers in a systematic, organised way is a new development. And while the freelancer has no direct employer-employee relationship with the client, they are still, in my experience, extremely alert to where the work came from, and they want to do an excellent job so they can get more work from that company. Today's freelancers pride themselves on professionalism, not least because it's so important to get good reviews. Generally, freelance or gig economy reviews are publicly available, so bad reviews carry the huge risk of potentially deterring future clients.

Today, most actuaries still work at large corporations, as full-time employees, in the traditional way. There are some who work full time as 'consulting employees' – this means they are employed by large, traditional consultancies, who then outsource the actuaries to other companies.

Then, there are independent consulting actuaries. These operate by themselves, as freelancers, and acquire their own clients. Over time, a successful freelance consultant actuary will build up a regular client base, and operate in that way. These freelance consulting actuaries are self-reliant, and effectively entrepreneurs. Nobody is paying them a salary.

In my career, interacting with all sorts of actuaries, I've found that independent actuaries have one major issue that is tricky to overcome: they cannot scale themselves. They work alone, and they only have a limited number of hours in the day to take on more work. Once this limit is reached, the only way to expand and take on more clients is to hire some junior members of staff, which means they have to commit to taking on office space, overheads and salaries, and therefore becoming a small boutique corporate.

Alternatively, they can team up with one or two other independent actuaries, and between them they can share the workload. However, in my experience, this kind of loose arrangement can only go so far before it becomes necessary to bring in more people. If the structure remains informal, and one team member suddenly becomes unavailable, the whole arrangement becomes unstable.

I believe, in most cases, independent actuaries remain as sole operators because it is less hassle, and they prefer to avoid committing to the administration and expense of the boutique corporate, even if they are consequently restricted in how far they can grow. A freelance actuary is self-sufficient, they make good money, and they are happy. It's a satisfactory arrangement for many independent professionals.

This model, whereby a professional operates as an independent freelancer, occurs across numerous industries, from actuaries to accountants, engineers, designers, architects and plenty of other professions. In most cases, it seems to me that what prevents these independent professionals from growing their business is a reluctance to commit to paying salaries and renting office space, because of the risk that they may not be able to generate enough business to cover these expenses. The operation might thrive in the short-term, but if the work dries up, and salaries and rent are still due, the situation could become problematic. In South Africa, once you hire someone as an employee, you cannot just fire them. The risks of a decline in sales, alongside the ongoing expenses of idle staff and premises, are what prevent many independent professionals from scaling up.

Working as an independent professional can be very rewarding because you are your own boss. That said, my advice would be that you should not consider working independently or as an entrepreneur until you have worked for other companies for at least ten to fifteen years. A lot of people are attracted to entrepreneurship these days, but to jump in before gaining industry experience means you will not have learned the critical lessons you need in order to survive. It is also essential to gain an understanding of how other people run their businesses. Textbooks and online courses cannot replace real-life practical lessons, despite what some providers may claim.

When you get hired as an external, freelance professional, the client expects you to deliver. Being a well-paid expert can be lucrative, but breaking away and becoming self-reliant is not easy, and there's a lot to manage alongside working and trying to make a decent income. There is no salary, and no security. People often say they would love to be their own boss, but they'll also tell you how important it is for them to have a guaranteed income, as they need to pay for this and that.

Working as a freelance professional is not for everyone. Many people much prefer working for a large company. The whole vibe, and the pleasant environment, are undeniably appealing. Working for a big company is very social and very

interactive. For most of us, the actual business of work can be pretty boring. Having colleagues to chat with and keep us entertained all day is a wonderful thing.

It takes a particular type of person, who plays by different rules, to become an independent professional. Do you have what it takes? There are lots of advantages, for the right type of person. You can enjoy daily yoga every lunchtime, with a shot of wheatgrass, or use the freedom to do whatever it is you enjoy. When you're the boss, you can have a more social, interactive life than anyone stuck at the office. How does this schedule sound to you? 5:30 am – go cycling with your friends. Home by 8:30. Breakfast with the kids and family till 9:30. Work till 1 pm. Then an hour of yoga. The kids' soccer practice from 2-3 pm. Work from 3-6 pm, dinner, then more work from 7-10 pm, or later. Maybe you'll work at the weekend, maybe not. It depends on the weather...

Organised Collaborative

A 'consortium', also known as an 'organised collaborative', is another type of business model. In this model, professional contractors band together under a shared business entity, pooling skills and resources. Aspects of the organisation, such as marketing or contracts, are handled collectively by the business entity. From the clients' perspective, this arrangement means that the collaborative operates much like a large corporate.

In the previous business models, we saw how a large corporate might deliver security for both clients and employees. Alternatively, working as an independent gives you the freedom of being your own boss. Combining the best of both worlds seems like a logical progression.

In our case at Virtual Actuary, the idea of building a consortium of professionals came together in the following way. We brought together a group of fifteen actuaries, who were skilled in banking, insurance and investments. We would find ongoing work for them using the Virtual Actuary network. We knew, through ten years of recruitment research, that many independent actuaries had trouble securing a consistent workflow. This predicament of finding work can be particularly tricky when an actuary has one big project on the go, as finding the time to set up future work when you're already focused on one project is not easy. As a result, the fees charged by independent professionals need to cover the downtime when they may not be working.

The beauty of the Virtual Actuary consortium model is that it takes that stress away from the actuary. Clients trust us, because they know we can deliver teams of actuaries who have the skills and the time to do the work. That's the client's main concern: they want an excellent team that is available and capable of doing the work. The actuaries get quality clients and skilled colleagues to work alongside them when necessary. And as projects scale up, the business can always find like-minded colleagues to complement the team, and keep everything running efficiently.

In a consortium, each person involved is part of a company-wide team, and everyone benefits when the company does well. Collaboration is the key. Everybody brings their most valuable skillset to the consortium. It would not make sense for an actuary to spend hours going through legal documents, and running to the bank to get onboarding documents sorted. That is not their area of expertise. For example, a few months ago we had a situation where we urgently needed somebody to get in their car and drop off some original documents to a client. It would not make sense for a skilled actuary to spend their time doing this, but if they were working as an individual freelancer, they would have no other option.

When there is a job that requires a team of four professional actuaries, an actuary working by themselves as an independent would most likely not have a suitable network of actuaries to match that requirement perfectly. Finding the right team, and the right fit for the client, is a complex undertaking. You need people with the right level of seniority, so that the team dynamics can blend seamlessly with the client's team. Another essential element to consider is the actuaries' availability and workload at that time, and their level of interest in a particular area of work, not to mention their level of experience. As a consortium of actuaries, Virtual Actuary stand by our motto: We are powerful together.

During the foundation of Virtual Actuary, the skills I brought to the table were networking with actuaries, and mapping their careers. Mapping is critical when it comes to building powerful teams. In a consortium, people within the organisation can still advance to a position of importance, in a similar way to how one builds a career within a large organisation. However, we rewarded our people with monthly commissions, rather than monthly salaries. As a result, the way for a team member to manoeuvre themselves into a position of importance is always to deliver outstanding work for their colleagues and clients. This sets a precedent for high-quality work and reliability amongst the internal team, and good work leads to the actuary being invited

into further projects. This self-regulating, meritocratic system ensures that only those who add value progress within the business. And since everyone is incentivised to produce the best possible work, those who are not driven to quality work find themselves short on invitations to new projects.

As new projects come in, we match up actuaries with appropriate potential clients, and invite them to enter into the discovery phase, by meeting with the client. We discuss the project's requirements, timelines and deliverables. Then it's back to digital HQ to discuss who within the team will do what, and compile an engagement plan. This detailed plan specifies the breakdown of the work to be done, the timeline, the team involved, and the fee. As a professional business, naturally we all have company email addresses, and present ourselves as representatives of Virtual Actuary.

Once the client gives the green light, work begins. Our admin person, who is not an actuary, then ensures that contracts are in place, that the Terms of Business are ironed out and agreed. An engagement letter is produced: this is a working document detailing the specifics of the project itself.

Generally, these are ongoing projects spanning many months, with deliverables that go through various stages. We hold daily or weekly meetings with clients, to ensure everyone is consistently in alignment. At the end of each month, we invoice for the work completed. We aim to receive payment within one week of invoicing. The actuaries receive their fees once the money arrives in the company bank account. And naturally Virtual Actuary takes a percentage of the revenue earned.

Collaborating in this way means we can take on much larger projects, which would traditionally have gone to large corporations. But by putting together a diverse team, we can make sure that we have precisely the type and level of actuary needed for any particular project, just like the large firms. And our adoption of a revenue-sharing model is attractive and potentially very lucrative, compared with the limitations of a basic salary.

In an organized collaborative, all team members benefit directly from the revenue earned. To receive a revenue share for a particular project, one has to show that their involvement was beneficial to the team. This self-regulating system promotes a hard-working, structured culture of shared responsibility, all working towards the common goal of client satisfaction.

It's important to invite the right two or three actuaries to that first initial discussion with the client. You can't just have five actuaries, who all do the same thing, at this meeting. If you do, the client is likely to be confused: *Why are there so many people at this meeting? We don't need this many.* You want the client to have the same experience they would have when dealing with a large firm.

This is how we handle that first, exploratory stage. The client initiates an enquiry about a project. We then organise a brief internal discussion, sharing some ideas, then invite a small, suitable team to meet with the client. In this first official meeting with the client, we will clarify the specific requirements of the job, while the client decides whether or not our team know what they are doing. We gather the information we need for the engagement letter, then present our solution to the client. If the client agrees that our solution, team and timeline meet their needs, the job will begin. This process is a carbon copy of how other, larger firms engage with their clients, and in fact, the client will often engage with a number of firms to get to a point where they have two to three proposals to compare, so it can be helpful to make a similar, professional impression.

In many cases, the client will agree that we have an excellent mix of the right skills, credibility and value, and so they sign up with us, and we start the work. But many things need to be in place for us to be able to carry out this seamless process.

The organised collaborative operates like any other business model in terms of how the various work groups are formed. We tailor a specialised team for every client's requirements, and everyone understands what role they play in the project, and their associated remuneration. Once the work is underway, we aim to keep the clients happy as a result of the quality of our work, and the actuaries happy because they earn the lion's share of the fee.

As our company grows, it's important to continue to maintain high standards, like any company looking to maintain its reputation in the market. Our key principle is that the actuaries themselves should earn most of the revenue. I believe this distinguishes us significantly from most other companies, where workers only earn a salary.

This shared revenue model could work across a number of other professions, such as accounting, engineering and design. As a professional within a consortium, if your work ethic is high, and your colleagues enjoy working with you, you can be certain

of receiving further invitations to join new projects. On the other hand, if people don't enjoy working with you, invitations might be scarce. It's a meritocracy.

At traditional firms, the manager is the manager, and those who work underneath them simply have to listen and do what they're told. In our consortium system, it's completely different. If junior colleagues do not enjoy working with a particular senior team member, they can simply opt out of working with that person in the future. The same goes for the manager: if they find that a junior is not pulling their weight, they can choose not to invite them onto the next project.

Here's an example of the benefits of the consortium model: A senior manager is approached by a client, and it's clear that the project also requires two juniors. The senior manager will sign the contract with the client, agreeing that they will have two juniors working under them at an agreed-upon fee. The client is not too concerned about who the juniors are, as long as the senior manager takes responsibility for delivering the project. However, it is customary to arrange a meet and greet, so everyone knows who they are working with. The manager will then oversee the team, and ensure that the juniors perform at their best.

In this example, the benefits for all concerned are clear. The juniors would find it nearly impossible to get hired for a job at this level, if they were not attached to the senior, by way of the consortium. The senior, in turn, if they were working alone as an independent freelancer, would not be able to handle a job of this size, as they don't have any staff. But thanks to the consortium, a suitable team can be quickly brought together.

It is not a simple task to find the right senior and the right juniors to match the needs of the job, who are all available for the full term. That is where I come in. I'm the team-builder, with group-level contracts signed with the clients, and agreements signed with the actuaries. At the end of each month, with Johan's guidance, I issue the invoices, process payments, and ensure that everybody gets paid on time. Promoting our company and telling our story within the industry is also an ongoing task. Because Virtual Actuary is a solid team of incredibly capable actuaries, we are always open for business, and keen to grow. Since its inception, our company's success has proven that a consortium of professionals, working in an organised way, can operate just as effectively as any large, traditional business.

Our business does not promote an employer-employee relationship, but rather we are a team of professionals collaborating for the benefit of all participants. We share

the same goal: to work with good, reliable people, to feel like the work we are doing is meaningful and beneficial to our clients, and to know that our remuneration for our contribution to the project is fair – nothing more, nothing less.

I wish that more people understood that they have the option of breaking away from their current full-time employer. Together with five of their colleagues, they could serve their industry in just the same way, offer the same quality of work, and be significantly happier, because they're splitting the revenue. Breaking away would simply mean doing the same work, while earning far more than their current salary. So why doesn't everyone do it?

The answer, of course, is that breaking away from a salaried environment is not easy. This is why companies are able to make so much profit relative to how much they pay their staff. An established company has money available to guarantee a worker's salary. They hire people to do a particular job. Money flows into the company. The company then, in turn, pays wages and bonuses from the pool of money earned. What is left over is retained, rightfully perhaps, as profit for the company. In many cases, these profits are very high relative to what people are being paid as wages.

But the trade-off for staff is this: if you want a stable, guaranteed salary, you cannot be upset when the company takes most of the profit. This is the paradigm of the employer-employee dynamic. If you do not like the arrangement, your boss might say, you are welcome to go and start your own business. Aha! But starting your own business comes with a lot of challenges: acquiring clients, getting paid, producing robust contracts... the list is endless. But if you could break away and form a consortium, that was able to manage every aspect of the business from start to finish, and you were able to financially survive until the company became profitable, you would, in my opinion, be much better off.

These distinctions between the various different types of organisations are important. A small boutique company should not describe itself as a collaborative, because there are significant differences. One of the key differences is whether or not the team members' earnings are based on a guaranteed salary or commission. When a company takes on the responsibility and risk of paying a guaranteed wage, then in my view that company has every right to benefit from taking that risk by pocketing most of the profit.

The COVID-19 pandemic provided an excellent illustration of the risks involved in committing to guaranteed salaries. From the outside, it must look like an attractive

position to be a business owner who takes most of the profits, but there's a lot of stress involved in the responsibility for making sure you can cover everyone's salaries every month.

Most businesses operate by keeping a certain amount of money in the bank to cover rent and wages. The company commits to the ongoing expenses, confident in its plan to hire quality staff and bring in enough work to pay for it all. This is an ideal situation when events play out as expected. But sometimes things go wrong, and a company's income can collapse. In those situations, the business owner can't just back out of paying the rent and their employees' salaries. So what can they do? They may be able to take a brief reprieve from paying the rent, although this is unlikely. But what about the staff? How many months can a company go without paying salaries before everyone leaves?

Picking up the pieces after such a disaster is no laughing matter. In an organised collaborative, a business downturn is somewhat more manageable. Most of the revenue goes to those doing the work, and the company does not take the lion's share of the profits. This arrangement works because those involved earn more, on average, than the industry standard. So the risk and reward are evenly balanced. When the members of the consortium earn more than industry norms, they are happier, and this helps the business to grow organically. In time, the company can build itself into a sizeable organisation. Why? Because the staff turnover is very low.

In today's market, any business that can retain its key people should experience significant growth. Clients, in turn, will appreciate the benefits of the compounded internal intellectual property within the consortium, and will consequently regard the consortium as a quality service provider, more than capable of handling large, critical projects. The actuaries, who earn most of the revenue, will feel more enthusiasm and focus in all their projects. This formula inevitably improves your chances of building a quality business. Organic growth should follow, even though the company only takes a small percentage of the profits. And with the possibility of future downturns, or unforeseen events like COVID-19, mitigating the risks associated with fixed expenses makes a lot of sense. I consider our model to be a very fair arrangement. Our core fundamental is that the company will do well if those in the business do well.

However, a collaborative only works when those building the teams do so with a sense of fairness. The whole system breaks down if those who invite professionals into the projects favour some colleagues over others. This unfairness can topple the

entire system. Such a business will soon find itself losing good people, people who loved the idea initially and were keen to go on the journey, but lost interest because they could see that others were receiving special treatment. Even in lean times, people can see the difference between a company which is striving to find you work, and a company which is finding plenty of work, but not distributing it fairly. This is why we talk about an 'organised' collaborative – the organisation aspect is crucial.

Many companies fail because of sheer greed. When employees see their manager getting promoted, or getting paid a huge bonus, while knowing that they were the ones who did all the hard work, they naturally feel aggrieved. They see that it's a culture based on climbing the ladder, getting promoted, in the hope that one day you might be at the top. Some people regard this system as fair, but is it really? In some traditional corporate environments, the way to reach senior positions is through excelling at office politics, rather than the quality of your work. Learning the ins and outs of engaging with senior executive types is an inherent part of the working world, or any sizeable social ecosystem.

The Virtual Actuary system is quite different, because it is self-regulating. Revenue flows towards those doing the actual work. The business incentivises success, and as that success gathers momentum, invitations to new projects result. With more projects comes seniority, and more responsibility. With more responsibility, a team member is able to build a team that can help them manage a more extensive client portfolio. Growth through success enables people to scale up their personal ambitions. Within a self-regulating system, you are always driven to do your best. The quality of your work needs to be a shining example for those who report to you. The quality of your work is what makes the difference between your managers receiving an excellent report or a negative one. If you get that right, you will bolster both your success and the success of the consortium.

We aim to keep hold of our talented colleagues, so we work hard to remove greed from the consortium. This is a core part of our business mission. By removing any perception of greed and unfairness, we can generate greater success.

Our vision for the future of Virtual Actuary is actuaries working from home in virtual and augmented reality. These new technologies will deliver the convenience of bringing the work to you, allowing us all to spend more quality time with our families, whilst travelling the world, and working from interesting locations.

Chapter Nine – Virtual Actuary: A Case Study of an Organised Collaborative

The nature of an organised collaborative allows for what we at Virtual Actuary refer to as the ‘Virtual Actuary Peer Review Nurturing System for Scalability and Annuity Income Pipeline Building’. This system is an important part of how the company operates, because we all want to feel like our efforts are going to pay dividends down the line, and that what we are putting our time into now will be worth it. So let’s break down precisely what this rather lengthy acronym means.

Peer Review

What makes Virtual Actuary more than just a business that deploys individual contractors is the facility for between 2-10 actuaries to work together on an assignment, and review each other’s work as peers. This access to the expertise of your colleagues is the main point of difference between an actuary working alone and a standard consulting firm. The individual freelance actuary is not able to give the client the option of a peer review. In the work we do, this is an essential facet that contributes to the reliability of the numbers calculated. This facility means we can provide the full benefits of a consultancy, rather than merely a collection of individuals.

Traditional consultancies can be restrictive for entrepreneurial professionals. Under normal circumstances, an independent professional would need to go through several complicated steps to develop a relationship with a reliable, ongoing, peer review partner on whom they can rely. The key word here is ‘reliable’. It’s not enough to simply have two or three people who are also independent whom you can occasionally tap into when their schedules allow. That is not a service you can tell clients with any confidence that you consistently offer. On any given day, one or more members of your pool might be unavailable, and suddenly you can no longer provide the necessary service. Sometimes, the client will need a junior person to do the work. The client will however be honest by stating that they do not have the time to manage this junior. In this instance, the client will need a senior actuary to step in and conduct the peer review and nurturing function on their behalf.

In an organised consortium, every actuary feels empowered, knowing that they can take on large or small jobs from any client. There will always be someone available to jump onto the project and ensure that they are able to follow through on the promise to deliver. This Mega Gig Economy is a labour market where professionals work together instead of being classified as full-time permanent employees. Alternatively, The Gig Economy which is very transactional, lacks dependability for like-minded professionals which holds them back from offering their services to certain large clients. In today's market, it is imperative to be completely professional. That past attitude when shady operators might think, *I'll try my luck, and hopefully, the topic of scalability won't come up*, simply won't wash today. Clients will see right through any vagueness. Pipe-dream promises may have worked in the early 2000s, but clients are way smarter these days.

Nurturing System

Here at Virtual Actuary we have found a gap in the market, an opportunity to help actuaries scale their time and skills in a way that had not previously been possible. This gap was inhibiting their potential for exponential growth, as lining up new work while focusing on one's current job is almost impossible. And taking on more than two or three major, full-time clients is unmanageable for someone working alone. Some independent professionals have found ways to scale, but I believe they are few and far between.

The usual way of scaling up a consulting business is as follows. When you, as a professional, take on a second major client, you can often handle the workload yourself, but as soon as a third client comes on board, you may consider hiring a more junior person, who can assist with the first client. You then gradually nurture this junior into becoming a mini-you, someone you can develop and offload work to. They will learn to handle this work up to a certain point, enough to allow you to take on a third client. Then you bring in a second mini-you, whom you can nurture to offload work from your second client. And so on.

In this way, you as a manager build a reliable team that works with you, and essentially becomes a unit comprised of similar versions of you. Over time, their competence grows, and so your confidence in their ability grows, as you start to take on your fifth and sixth client, and so on. The business grows as you grow. This ability as a senior manager to build up a team that sits beneath you is common practice in

any consulting firm or, in fact, in any business comprised of seniors and juniors. As the juniors mature and gain experience, they take on more responsibility, and over time become seniors themselves. It's a constant production line of assistants coming in and growing with the business. The seniors manage the juniors, everyone earns a reliable salary, and hopes for a nice bonus at the end of the year for work well done.

However, the downside of traditional consultancies is that they inevitably follow traditional employer-employee dynamics. People regularly resign and move companies. Nurturing juniors can be frustrating, because competitors hire them as soon as they have gained the necessary industry skills to be truly valuable. Company B will inevitably entice mid-level professionals with the promise of more money and an impressive job title. The well nurtured, in-house skills therefore now transfer over from company A to company B. This transfer of intellectual property can be demoralising. Your reward for mentoring someone well is that quickly they get headhunted by a competing firm, and you not only lose them, but they also take with them valuable intelligence about your business. And each time, you're likely to feel just a little less enthusiastic about nurturing the next junior properly.

In the Virtual Actuary system, because most of the revenue goes to the actuaries, they share a percentage of their fees with their junior. The junior can then earn more as they take on more responsibility. We believe our incentivisation system empowers the juniors to aim for more, and as such, the nurturing process is not a wasted exercise. If they do an excellent job, that junior will help the senior scale up their portfolio. In this way, the two of them are able to grow and succeed together. We want our colleagues to be thinking, *I need you as much as you need me. I'll help you know more; I'll empower you to take on more work; I'll empower you to earn more. I'll empower you to nurture juniors who work under you, and we will all grow together.*

By apportioning the lion's share of what the clients are paying to the actuaries who are actually doing the work, there is more revenue to go around, so all the team feel well remunerated. Of course, work is not all about money, but it can go a long way in making people feel satisfied and valued in their working environment.

Compare this situation with a freelance consultant, five years down the line. This hypothetical actuary declined to join Virtual Actuary, because they preferred not to spend time nurturing juniors, and felt satisfied with the way they were running their desk. But after those five years, this consultant will probably still be working on a

maximum of three clients at any one time. And if something happens to this actuary, and they are unable to work, their income will abruptly disappear.

By contrast, an actuary at Virtual Actuary might be nurturing seven youngsters, and in time they could easily be serving multiple clients together at any one time. The juniors will develop into managers themselves. And because the original senior actuary oversees each client relationship, they apportion the client's 82% amongst themselves and their team. As everyone is properly incentivized, the quality of the work is of the very highest standard, and so the client is satisfied, and the actuaries are well remunerated. How that money filters down only relies on one thing: that those doing the work feel it is fair. If fairness prevails, the senior's earnings are immaterial, provided those who work beneath them are happy and sticking around.

Chapter Ten – How to Build a Consortium

Do you feel that working in a consortium is right for you? It might not be. Having looked at some of the other business models, you might find one of those more appealing. If, however, you believe that you can do significantly better within a consortium, then these are the steps you need to take to get started.

Firstly, a consortium requires several types of admin documents and agreed processes ready at the outset. Some examples include:

- Contracts for the clients
- Contracts for each person working in the business
- Contracts for suppliers
- Banking details for each person getting paid
- All tax and company formation documentation

The consortium itself is the business entity, and all those who work in the consortium use the same company details and contracts.

You need enough people involved that an entire process could play itself out, from the client wanting to place an order, to the client receiving their product or service, to the client making a payment, to those involved receiving their pay, to paying your taxes.

Each client you take on will need to sign an agreement with you. In our industry, we have a Master Services Agreement, also known as a Terms of Business. Essentially, they are the same thing. This document outlines most of the working arrangement. Then, a separate Engagement Letter is prepared for each assignment, also known as a Statement of Work or Service Level Agreement. Many projects last for a year at a time. We issue a monthly invoice for the work done that month.

Each person working in the collaborative can only do so after signing the Company Contractor Agreement, or in some cases an Employee Agreement, if a hybrid arrangement is more suitable. You cannot have a situation where guidelines and rules are only loosely agreed. This is a vital document because it is what keeps the collaboration organised and in check. Otherwise, you are just a bunch of people getting together occasionally to discuss a common interest. The guidelines for collaboration are as follows: the company contracts with the clients, the contractors agree to perform specific duties. The contractors get paid once the company gets paid.

The consortium must ensure that those working in the business feel motivated and enthusiastic, so the remuneration must be timely and feel like a monthly salary. The Terms of Business will stipulate that the client must pay within seven days of the invoice, issued at the end of each month. This short payment deadline is important because it will be exceedingly difficult to get anybody to work for the consortium if they have to wait too long for their money. The consortium needs to ensure that the terms agreed with each client are favourable, so everyone gets paid as close as possible to the first week of each month.

In an employer-employee arrangement, employees generally receive a salary at the end of each month, and they have the luxury of demanding timely payment. Of course, the downside is that these typical employees do not expect to receive the lion's share of the revenue for what they produce.

What then is the main benefit of working in a consortium arrangement? The answer is this: if specific administrative functions are taken care of, so that the professional feels that they can work seamlessly and focus on their strengths, then the experience of working in the consortium will be a pleasure. This is the essential point. Any business needs to be run professionally and in an organised way. If this is not the case, you will not get people to stick around. The clients will not appreciate the lack of professionalism, and the contractors will not work to a high-enough standard. But if the administration side of things runs smoothly, then the business can grow.

An organised consortium promotes a different kind of lifestyle, ethos, and level of care for your well-being than is usually found in traditional corporate businesses. At a conventional company, you come in and you do your work, and that is pretty much as far as the relationship goes. At best, the company might organise some team-building events to strengthen interpersonal relationships and morale.

An organised consortium is really more of a lifestyle. We place much more emphasis on understanding each other's home situations, such as getting to know the details of one another's families. We make a concerted effort to find out how best to interact with each other's situations. Within a collaborative, there is a strong incentive for everybody to promote a positive, healthy lifestyle for each other. If you're doing well from a lifestyle perspective, if you're healthy, you perform well, and, in turn, the collaborative does well.

'Self-regulation' is the term that best describes how an organised collaborative works. Employers have a tendency to treat their employees in a certain way. Employees are placed under pressure to perform, or face the risk of getting into trouble for not delivering. Office politics can be tricky to navigate. Operating within a traditional company is not straightforward. Sometimes, managers have their own agendas, as everybody tries to climb to a more senior position. Fundamentally, as an employee, you have to work with the people you're placed with, whether you like it or not.

Because, of course, in regular employment, you get no say in who is on your team. You are simply required to perform. You come to work at set hours. You do what your manager tells you to do, whether that's to mentor a junior, or work late to meet a deadline. Of course, there are companies that treat their employees better than average, as well as those who treat them worse. But in most companies, the general rule is that you work from nine to five or thereabouts. Overtime might mean extra pay or a bonus, and bringing kids or pets to work is not done. As much as you try to sugar-coat it as not being so bad, you are pretty much the property of the business. They pay your salary, and they tell you what to do.

In a consortium, you are your own boss. If you want to succeed, you have to step up and perform, or you will not find yourself invited onto the next project. If people don't enjoy working with you, they won't. With all this responsibility resting on your shoulders, your time is your own, if you can manage your own time properly. But make sure that when you do work, you do a brilliant job. If you can manage this, how you schedule your workday is your business.

I like to have breakfast with my children, and then step into the gym at 8.30 am. This means I start my day later than some, but I often work late into the night. I adapt my work to my lifestyle. I might do some shopping in the late afternoon, but what I get done is more important than what time I do it. While I'm at the gym, I'll often be checking my messages, or interacting with various contacts. Because I am not stuck in the office, I am free to do some gardening during the day, take the dogs for a walk, or do anything I like. On the other hand, I will also work on Sundays.

On occasions, I've even spent upwards of three months working from a different country. Working while abroad can be a great pleasure, but I would suggest that it is not for everyone. It takes serious discipline to do a proper day's work while overseas. While I was away, of course I wanted to go to the beach, I wanted to go shopping, I wanted to go touring, and so on. But I wasn't having a holiday away from work. I was just enjoying a change of location, and my agenda for each day was filled with work.

Am I disappointed that I went to an interesting foreign country but didn't get to enjoy a holiday? Of course. But am I also grateful that I was able to get a lot done while I was there? Yes, I am. I was a digital nomad, able to set up shop anywhere in the world. It's a thrilling concept.

I remember going to the airport when I was a child, en route to our holiday destination. It always fascinated me to see the businesspeople sitting in their suits, pulling out their work documents and reading through files. It seemed very sophisticated to me, that ability to be able to do work on the go. Looking back, I can see why I found that so appealing, because my favourite topics are work and business. I'm not saying I always love working. I'm a regular guy, and of course I would much rather be kitesurfing or spending time with my family. But I do love a great business story. So for me, that fascination with the prospect of being able to have a work lifestyle on the go became a kind of goal. In the last few years, I have become incredibly pleased when a work colleague would say to me that they would call me back in an hour or so, as they were just stepping into a yoga class. I was so happy that they were doing such a healthy activity. I probably wouldn't have been quite so excited if they'd said they were popping into the pub!

Healthy living is essential for me, and I love watching those around me enjoying the great outdoors. There are some companies I admire that provide beautiful campuses where the staff can bring their pets to work, get a free lunch, and engage

with physical activities to feel energised, instead of just being stuck inside an office building.

In 2019, I was invited to speak at a few events in the city where I grew up. I hadn't been back in more than ten years. I now live by the coast, but it was exciting to be back in the city. I found myself admiring the tall buildings and how sophisticated they looked, with their massive balconies and ornate architecture. It all looked so lavish. I could really see the appeal of working in an office in the city, meeting a colleague for coffee, while gazing out at the other buildings. That trip was nine months before COVID-19, but even back then I was wondering: how much longer will these buildings still be used for such purposes?

I mention this because I have been an advocate of the work-from-home lifestyle for quite a few years now. Of course, I had no idea that it would be a pandemic which would force us all to stop going into the office. I believed that these changes were coming, but for different reasons. I could see that traffic was becoming unmanageable, and I felt the daily commute would soon be seen as a huge waste of time. This still seems like a fair prediction to me. Can our current transport infrastructure really sustain this way of life in a decade's time? Or two? Similarly, I predict that the world will become a more violent place, and people will not want to venture out as much.

So for lots of reasons, it seems to me that being able to work in a more comfortable environment is going to make a lot of sense. I've noticed that office-sharing companies are raising a lot of money through venture capital, which strikes me as part of the same movement. It's all part of people moving towards working more locally, without having to commute into the city to be stuck in a centralised, open-plan office.

Of course, you cannot just get rid of these metropolitan cities. As a society, we will need to transform these important buildings, commercial zones and city centres into communities within cities, and over time the unloved office space is likely to be transformed into much-needed residential living space. Looking at some of these remarkable buildings, I can see them being comprised of apartments in some sections, other parts will be shops, and other parts will most likely be schools and recreational areas. This transition is already happening all over the world. The city centre as the hub of business activity will not continue to exist in its previous, pre-pandemic form.

Our philosophy at Virtual Actuary is that we are not providing a place of work for actuaries, we are providing a lifestyle. We want you to travel, live and work from

anywhere in the world, on your own time, and the company should fit around that. How exactly is this going to work in the future? Well, we are still working that out. But I remember my own experiences of working for traditional companies, and the idea of sitting there with five people in a tiny office, staring at our screens, and throwing balls of paper at each other for fun, is very far from my vision for the future of our business.

Working in a consortium, or creating one yourself, is not as complicated as it might seem. In a sense, every company is a consortium, in that it is made up of various departments. The only real thing that differentiates a standard company from a genuine consortium is that, in the former, everybody earns a set salary, and the company takes all the profit, after paying any bonuses it deigns to offer.

A consortium is a different kind of model. Imagine a hypothetical, medium-sized, traditional publishing company, that has four departmental heads. One of them is in charge of content creation, another handles sales and marketing, another admin and finance, and the last one heads up human resources. In this old-fashioned, corporate structure, these four capable, experienced people are essentially running the business, in return for earning a salary.

But if these same four people left that company, and formed their own consortium, they would be faced with nothing more challenging than carrying out exactly the same work as they had done before. The difference would be that they would be working without a salary, and they would split the earnings between them as soon as the consortium earned money. The work itself would not have changed. They would need to be organised, working under the umbrella of a particular company name. The consortium business would make money in the same manner as before. However, instead of paying salaries and retaining all profits, the consortium would pay out earnings as a share of commission.

So what is it that ties people to the traditional model of employment? The only shackles keeping many people working as employees are fear of not earning a certain salary and a lack of organisation! If those four departmental heads could put their heads together, and focus on a shared goal, it should be a simple matter for them to break away and set up their own business. And a well-organised consortium is one way this can function correctly. There would have to be a management team, ensuring all the administrative tasks are in order, and somebody in the consortium would have to take responsibility for office management.

Of course, it is important that everyone involved is worth their place, and makes a valuable contribution. Accordingly, when the money comes in, everybody should be remunerated according to their level of involvement. The challenge, particularly in the first year or two, is that everybody involved needs to keep themselves financially viable until the business starts generating a substantial turnover. This challenge, of handling personal financial liabilities during the startup, is why most people do not break away, and instead stick with stable, reliable employment.

Who in their right mind would risk jeopardising their financial health by opening a business without a guaranteed pay cheque? I absolutely understand this concern, and it is this worry that persuades most people to stick to the traditional, big company career path, because for most people there are not many things more appealing than a reliable guaranteed salary at the end of every month.

In the previous example, there was a particular reason why I specified departmental heads, rather than employees or professionals in general. It's important to emphasise that you cannot have a functioning consortium without specific essential administration tasks being looked after. A gap in the human resources department or compliance will cause the whole organisation to fail.

Any number of administrative problems can cause a critical bottleneck, resulting in the workflow coming to a halt. Wages won't get paid on time. And once you reach that point, where the consortium isn't getting paid, nobody is going to stick around. Each member of the consortium needs to be able to handle a certain level of responsibility, as their involvement is critical. The group managers also need to ensure there aren't more people in the business than necessary. Bringing in too many similarly skilled people too quickly can mean you end up in a situation where you have too many people carrying out the same function. This can mean not having enough work to pass around. In a consortium, it's imperative that you don't end up with an oversupply of workers in one area, as team members will soon feel side-lined. There is a delicate balance to be maintained between bringing in work, keeping people busy, sharing the revenue, and continuing to grow. Like with any other business, having enough work to go around will result in the company doing well.

Another reason why more people do not break away and form a consortium is that it's very difficult and unusual to find a shared vision. Everyone has different ideas, and finding a common goal is no simple matter. Most endeavours require a single leader, driving the idea and steering the progress. But a consortium needs to comprise

a group of like-minded professionals, who all believe that if the business succeeds, they will have a wonderful place to work, make money and enjoy life for many years to come.

The first challenge is to get started. So what are the first steps? Here's one hypothetical approach. You send a message to ten people who have working experience or knowledge of a particular industry. You all meet up to discuss the possibility of working together as a unit, each fulfilling specific functions in the team. The paperwork seems to be in order. The business could have a website and contact details up by the next day.

You could walk away from this meeting with an agreed understanding that you are all looking to achieve the same goal. Before you leave the room, you might ask your potential partners, "Are we doing this or not?" It's that simple. But what you'll probably hear are answers like, "I need to think about how I can line things up before I get involved," or, "It's a great idea, but I need just to have a few things in place before I can begin." You will find that the list of reasons why people can't commit, and can't start tomorrow, is endless.

But, if you have one person driving the process, and five of the group feel ready to start the next day, then the consortium could actually get formed the next day. Yes, there would be certain gaps in terms of knowledge and areas of responsibility that would need to be filled, but it would be possible to start taking action, literally the next day. In any endeavour, you have to take the first step, make things happen, and then grow gradually from there.

Over the next few weeks or months, a few more people may join, a few more gaps will get filled, and so it grows. But commitment is a non-negotiable. You cannot tolerate people coming in and then just dropping out. That is not how you build a business. It is not a tea party, where if you want to pop in and out, you are welcome to do so. Once you agree to join the collaborative, other people are relying on you, so that everyone can reach their collective goals. Because if there is a shared goal, the consortium will succeed. The goal is to build the client base, and build the business. It's a serious, important goal, and it is not negotiable. So although a consortium can be extremely flexible and relaxed about hours, hierarchies, work-life balance, and so on, when compared with a traditional, corporate business, the underlying ethos has to be that everybody takes the consortium's success, and their role and responsibilities, with the utmost seriousness. Everyone in that consortium is working to build the

company to reap the rewards themselves, so the prize for success for everyone is a deeply personal one.

This ethos has to be clearly stated and understood. If it is not clearly understood by all parties, the old mindset of company ownership can cloud everyone's perception of how the consortium should serve those involved. In a consortium, the business does everything it can to ensure that everybody has a higher probability of success. The consortium delivers ongoing work, expert colleagues, and support for your projects. It will be your source of income, it will encourage you to combine work with every other important facet of your lifestyle, it wants you to grow into greater responsibility, and it wants you to enjoy your life as a professional. If the consortium succeeds, you will have found happiness in your working life. So if all this sounds like an impossible dream, you have clearly never yet worked in an effective consortium. If you had, you might not be reading this book, because you'd already be saying things like, "I enjoy working with my colleagues. They are reliable. The money is good. I love where this business is going." But really, how often do you hear that?

Chapter Eleven – The Lean Mindset

Amazon is a perfect example of what I refer to as the 'lean mindset'. Amazon created its business initially in such a way that it did not need lots of expensive office or retail space. Amazon has succeeded in devastating the traditional retail industry, because its mindset from the very beginning was all about efficiently serving the customer.

I remember seeing an interview with Jeff Bezos in which he addressed this very topic. He was asked, "Well then, how come you're opening distribution warehouses, I thought your business was digital?" and he responded, "It's about the customer, it's not about having a brick-and-mortar business." That person interviewing Bezos did not understand what he meant by the lean mindset. What I think Mr Bezos meant was that distribution warehousing would enable him to get the product to the customer faster. He understood that customers did not need to walk through his store to make a purchase. Sure, the experience of browsing in a nicely laid out store can be delightful. It can be very pleasant to be waited on and treated like a king or queen when you walk

through the door. It's a lovely thing to be able to touch the item you're buying, or have the option of trying it on. But when it comes to business efficiency, what we like, and what is efficient, are not the same thing. The experience itself, and how you perceive the pleasure of the experience, change dramatically as you become accustomed to the 'new norm'.

For example, when you buy fish at a supermarket, that experience is clearly not as pleasurable or stimulating as driving down to the dock when the fishermen come in off their boats. Think about how much you would enjoy the whole experience of picking your fish, perhaps even being part of the gutting process? Years ago, when supermarkets started packaging fish into more sterile, convenient, user-friendly containers, people would have dismissed this new fad. Clearly, they'd say, it was far better to maintain the authentic experience of getting your fish at the dockside. But we have quickly come to accept that, in the end, when we're buying fish for our dinner, all we really care about is the item we're going to consume. The means of acquiring it change with the times. Today, most online retailers have some kind of advanced sizing system, so you can tell where you fit into their measurements, to know precisely what size will work for you. And most online retailers give you the option of returning items, for a no-questions-asked refund, if you are not entirely satisfied.

As businesses, we need to think about how we can reduce our most significant expenses. I can almost guarantee that there are certain things that you currently believe are absolutely necessary for your business, but if you really give it some thought, you will find that you can do without them, if you are open to new ideas. People will often respond, "Well, this is a large building, there's no easy way to just transform the company and change our business." But the fact that change can be difficult is no excuse for your business clinging to an unnecessary expense.

Lean business practices are about eliminating every expense from your operations that you possibly can, without reducing the value of the product you're offering. For many older businesses, or industry Giants, it was necessary to invest in large facilities and office space, not because there was a specific desire to have every member of staff in one location, but because the only way they could communicate with one another was to have everybody in the same building. You'd have the research lab on one floor, the 'suits' on another floor, and sales and marketing on the other side of the compound.

Obviously, in certain industries such as manufacturing, there is a limit to how much can be done remotely. The company's machinery and stock need to be kept secure, as they could be stolen or damaged. The dispatch centre may need to be centrally located, to get things out and maintain comprehensive quality control. Even today, there are industries that still require a certain level of infrastructure and real estate, be that a traditional central office, factory or warehouse.

But all businesses should share the same aim of reducing costs and increasing efficiency. How are you marketing your products? Can you find a cheaper way of getting your message out to clients? Are your executives flying business class unnecessarily? Perhaps you feel that these costs are justified, but again I think the fish-buying analogy is instructive. You might feel that the company's executives love your business for perks such as business class flights, but I guarantee that if you made them fly economy, but handed them half the difference in cash, none of them would begrudge the slightly smaller seat, given the extra money in their pockets.

A lean mindset is not all about slashing costs. It must be done carefully, ensuring that the overall outcome is beneficial. There are situations in which the lean mindset can backfire, such as when an entire industry outsources its production to another country. It's clearly appealing to source production overseas at reduced rates, but if the relationship with that supply chain breaks down in the future, it may be impossible to restore production and restart manufacturing locally.

When lean principles are adopted smartly, a business can be agile. If this frees up more funds for the company's activities, using it wisely will empower the company to grow. Internal innovation hubs can use the extra budget to try and find some golden opportunities.

I was recently told an interesting story about a struggling company. This company had two chief executive officers, who between them made a mistake which they were finding it difficult to solve. Their primary problem was that they had hired too many people. As a result, they were desperately trying to cut costs, but their new approach of slashing spending was harming the business. They weren't paying their staff enough for them to feel valued. As a result, the workforce lacked dynamism, and no one was motivated to deliver their best. Most of the staff were constantly stressed, chasing their tail to do their job without the correct tools or guidance. Of course, the most talented staff soon left, so those who remained were in many cases not dynamic

enough to effectively drive the business in the new direction. By this stage, the company's bonuses were also far from impressive.

I don't want to go into too much detail about this company, but one thing that immediately stood out to me was that their office space is absolutely beautiful. While the managers sit in meetings explaining that there is no budget to carry out the necessary functions, they do so while sitting, figuratively, on a golden throne. That to me is a fundamental problem. And once the company is faced with a black swan event like COVID-19, chaos is the inevitable result. I believe that Covid is only a tiny taste of the kinds of business disruption to come in the next few decades, and this is an opinion shared by public health experts in many countries.

Recently, I've seen numerous senior executives leaving their traditional, big corporate jobs to launch their own small business. But because they failed to adopt lean principles in their previous employment, they now struggle to get their new business off the ground, as their multitasking skills are not up to scratch. When they had big budgets, these executives relied on all the other specialised departments to support them, but they now don't have these luxuries, such as the analyst who tells them which clients they should be approaching, or the human resources team to handle recruitment. There's no highly paid sales team to bring in business, and as a result the startup soon collapses, or struggles on disappointingly, just barely making a living.

It's instructive to think about the way investors invest in companies. In theory, they want to pay as little as possible, while watching their business grow, so that they can somehow exit after having realised a profit. However, the strange thing is that investors are often willing to put money into a company to hire more people, pursue a marketing drive to acquire more clients, with the aim of raising turnover rather than profits, as this can allow them to cash out at a higher valuation. This situation can create bizarre incentives for executives in large companies. If we were to incentivise managers to be more efficient, they might not spend quite so much money on unnecessary things.

As far as I'm concerned, no business can succeed without being lean in this day and age. And this became ever clearer as the COVID-19 pandemic transformed the nature of the working world. Imagine the enormous ongoing costs faced by traditional companies with large overheads, during a crisis where all staff were required to remain at home.

Today, any industry Giant spending a fortune on lavish infrastructure, business class travel, and expensive giveaways is faced with a mammoth task if it is to compete with lean, efficient rivals. It's extremely difficult to gain a competitive edge over a company which is truly lean.

My approach to running a business is to be constantly asking whether what I'm doing today will benefit the company in ten years' time. With this yardstick, there is very little danger of the company taking on unnecessary liabilities. I am always alert to the potential for crises or market shocks, in which our revenue stream would be significantly affected, leaving the company haemorrhaging cash. In a bloated organisation, this situation can be almost impossible to fix. But while remaining lean, there are options to correct course and remain competitive.

I believe it helps that I started my last two businesses with my own money. Because of this, I know that you can do a lot more with a lot less. The previous business was only a moderate success, but the lessons I learned resulted in the second business enjoying rapid growth. Furthermore, if that previous business had been a greater success, I would never have come up with the idea for Virtual Actuary. It is not always the case that you will operate a lean business just because you are a small business. There are still many problems to be solved.

I would estimate that 90% of small businesses do not operate using lean methodology. These small, but expense-heavy, companies tend to commit to significant liabilities from the start, which is a major factor in why many new companies do not survive. I launched my previous business in 2009, just as the 2008 global recession hit, but we were lean, and we survived. A lean mindset is not specifically about slashing costs or charging clients less. It is about your business being agile enough to adapt to a changing marketplace.

But employees at big companies have very different incentives. One of the reasons big companies do not adopt a lean mindset is because those who work there know that if they are ever unhappy, they can just leave. In that situation, a different kind of mindset naturally develops: *What is my budget? Can I get my sales to grow? Will I get a big bonus? If so, I'm in.* They focus on their own interests, not the company's survival.

What this means is that the managers and employees who actually do the work of running big businesses are to a large extent indifferent to the long-term fate of their company. And this lack of personal, vested interest does make logical sense. Why

should they care? They are probably not incentivised by the business's overall growth. Their job is simply to perform better than the previous year, by some more or less arbitrary metric, and get rewarded.

It always amazes me how big companies seem to have a huge appetite for losing money. In my experience, there are only two kinds of people who actually benefit from their business operating as a lean unit: the CEO of a large corporate, or the head of a start-up. Everybody else in between most likely sees the drive to save money as simply a hassle and restriction. But my hope is that, with us being a consortium, those who are on the Virtual Actuary journey see that being a lean business is the only way we will be able to grow into a large organisation. And I know these people well, so I know they appreciate how we handled the Covid-19 situation, for example, and managed to remain largely unaffected.

One of the most interesting concepts relating to the lean mindset is the emergence of what is referred to online as the 'flash team'. The concept looks at a range of relevant gig economy platforms, and through automation can add or remove independent contractors as needed. From what I can gather, as projects form, those assigned work within each project can request more independent contractors if they feel the project needs to scale up, and the platform would source the suitable work colleagues. By automating this sourcing process, the teams are able to scale up and scale down dynamically, theoretically maximising efficiency for the project without the need for office administration staff.

In this hypothetical model, the whole system comprises an automated gig economy computer simulation where all the job applications and the entire hiring process runs through the gig economy application. It's a great idea if managed well.

Flash teams are similar in many ways to how an organised collective or consortium works, and there's a lot of value in incorporating aspects of the flash team model into your business processes. We at Virtual Actuary are looking to implement some of this in our platform in the future. But the online concept differs from ours in that at no point did I read about a central 'mothership' or decision-making entity directing the process. From what I understand, the team would vote, or otherwise decide on what was needed collectively, before the request was posted and the position filled via the app. One would just need to look out for bad elements steering the project off course if decisions were not carefully thought out.

Any consulting team is, in essence, a flash team. They get hired when needed. On completion, they are gone.

In some cases, the consulting team's project may continue and mould into something else. But because the team members are not full-time employees of the client, the team are in and out in a flash. Many of our projects last for a year or longer, but this just means our people are effectively a flash team on an extended stay. The client will not consider them as permanent employees or colleagues, which is reassuring if they are concerned about operating as a lean business. At Virtual Actuary, we act as an organised flash team of professionals. Our philosophy of organisation is essential, because with the work we take on, someone needs to take full responsibility for the delivery of the project. We can't just have things operating with no clear direction of what we are trying to achieve and the high standards we are trying to maintain. This high standard for professionalism starts with the people we bring into the business, and goes all the way to making sure that every project is carried out professionally, and delivered on time and within budget.

This concept of a more automated team is helpful as we move further into the new world of you-as-a-brand, where your professional profile is always on display, allowing others to invite you into a collaborative working environment. In this environment, your hard work serves as an open invitation to future projects. The shop window of what you have done so far is your personal statement: "I'm ready for work, and here is my portfolio." We have moved into a world of visual stimulus. Those who choose to work with you want to see what you can add to future projects. It's no longer a question of looking good on paper, like it was with the old-school CV. What's needed today is an online audio-visual portfolio.

Flash teams will likely become the norm in the future, because they are highly scalable and flexible. Many of us have worked on projects that changed direction midway through. Traditionally, scaling your team for a new project would require you to hire new employees, either full-time or on a fixed contract, so making unplanned adjustments used to be highly problematic, and potentially very expensive.

With a flash team, you can change direction, and the previous flash team members who are no longer required simply move on to other projects, as you bring in new team members as necessary. Most management consultancies, in effect, operate as flash teams, as their people are not permanent employees of the client. This facility to produce an instant team is increasingly appealing to many clients, as

an alternative to taking on full-time staff, whereas in the past they would not have considered it a viable option. Nonetheless, clients are still understandably very conscious of the importance of protecting their intellectual property, so they remain extremely careful about who they invite to play a role in their business. This means the chosen flash team provider needs to be extremely trustworthy and credible.

Chapter Twelve – Managing Millennials

I should begin this chapter with a disclaimer about the use of the term ‘millennial’. Millennial is a helpful label, as it defines a demographic category. As with all demographic categories, it is to some extent an abstract generalisation of traits common to a specific population segment, in this case usually defined as people born between 1981 and 1996. These traits fall on a bell curve. It would be relatively rare to find an individual millennial who embodies every quality of the group, an ‘uber-millennial’ if you will, but it would be even rarer to find a millennial who embodied none of them.

The traits we associate with millennials are not exclusive to that generation, but rather they are traits that we are more likely to find in millennials than in other generations. So, if while reading the following section you find yourself thinking, *I know someone who’s a millennial, and this isn’t true for them, or, I’m not a millennial, but this applies to me*, then you may be missing the point.

Work culture has always been something that evolves, but the changes in work culture over the last twenty years have been particularly dramatic. In the past, the employer held all the cards, so instructions were simply given and followed. If the employee did not follow their instructions, there were serious consequences. One had to adhere to the mandated corporate culture, because the only other option was to resign, or get sacked. The threat of being labelled a loose cannon was sufficient to keep most people routinely working at the same job for five to six years. That was simply how the system worked. It looked bad if your CV showed you moving jobs more than three times in ten years.

But if a company tried to maintain this approach today, the only millennials it would hold onto for any length of time would be those who aren’t ambitious, creative,

experienced or driven enough to find work elsewhere. Many bosses do still try to adopt this approach, but it's not an effective way to hold onto genuine millennial talent. Unless perhaps, your business has some exceptional quality keeping everyone there. If you want to keep hold of talent these days, you need to understand millennials, and think carefully about how to recruit and manage them.

A shift has taken place, because millennials have options that no previous generation ever had. The oldest members of the millennial generation entered the workplace around 2001, hence their moniker. Their professional lives started during the peak of the dot-com bubble, so they never worked in a world before Google, and concepts like social media and digital presence form part of their everyday vocabulary. To this generation, disruptive technologies are routine, everyday matters. The Fourth Industrial Revolution isn't a 'new' normal to them. It's just normal.

Millennials are intimately aware of their options within the gig economy, and they're comfortable there. In our society, people admire fearlessness, but today the line between fearing nobody and respecting nobody is becoming somewhat blurred, because millennials do not hold the same innate respect or admiration for institutional hierarchies as previous generations did.

Another important difference to bear in mind is that millennials have no expectation of stability. Millennials are perceived by some as embodying an era of instant gratification, but they are not to blame. To successfully develop a habit of delayed gratification, taking a long-term approach, one has to be able to confidently, reliably predict what rewards will follow in the future. Delayed gratification, in terms of one's career, only makes sense in a context where there is stability and security, something which has clearly been absent for millennials in their professional lives.

The COVID-19 pandemic resulted in the third major global recession that millennials have experienced in their relatively short adult lives. They entered the job market just as the dotcom bubble burst, they were at work during the Great Resignation, and now we have a global pandemic which has gutted the world economy, and wiped out jobs by the tens of millions. Of course, these events affected everybody who lived through them, but as newcomers to the job market, millennials were disproportionately more likely to lose their jobs when companies downsized.

We all ought to think about what this has meant for millennials. For the vast majority of them, their professional lives have consisted of periods of negligible wage increases, often at minimum wage, with zero job security. Even those millennials who

have sought to build a stable CV, by remaining loyal to the same company for several years, are highly likely to have eventually lost their job for reasons which were out of their control, and not related to their performance. For those lucky enough to keep their jobs, the result has most likely been an increased workload, with no commensurate wage increase.

Social media has given rise to an explosion of information sharing. Millennials have a broader, if shallower, awareness of current affairs, and their information sources have been less subject to gatekeeping by governments and large media corporations. Millennials are thus painfully aware of climate change and, unlike older generations, will still be alive at that time when, according to projections, the potential risks could be as extreme as the extinction of humanity. Few millennials have savings, investments, property, or even health insurance, and they are highly aware of just how bad this situation is for them. Because of these and many more societal problems, millennials find themselves facing a bleak and uncertain future.

Older people often dismiss and patronise millennials, for what they perceive as their naivety or self-importance in wanting to make a difference, or needing to feel as if their lives are meaningful. But in fact we ought to admire millennials, because they have a proper sense of urgency when it comes to the future. Many of them believe that their destiny is to stave off a literal apocalypse. Try to put yourself in that mindset for a moment. Could you be complacent and satisfied by a meaningless job, if you considered inaction to be a threat to your very survival?

Because of the complex situation they face, millennials expect disruption and uncertainty, and so they aren't easily satisfied by routine explanations and received wisdom. Disruption has been a constant presence in their lives, and they expect it. They're not going to accept "This is the way we've always done things" as a sufficient justification for resisting change. Millennials will not respect a mindset that is resistant to change, no matter how much they may respect you as a person.

What this means for an employer, is that you cannot retain top millennial talent using traditional means. Millennials do care about their salaries – the usual incentive – but they are also juggling many conflicting concerns. Millennials care about advancing their careers, but do not consider a promise of future advancement sufficient to secure their loyalty, because their work history has been a consistent pattern of instability. Millennials are facing the higher rates of unemployment, but at

the same time they have better tools, and a more comprehensive range of options, when it comes to looking for a new job.

It's important to be aware of this reality. If you don't adopt a mindset compatible with the principles and ideals of millennials, you will find yourself losing employees rapidly. So how can an employer attract and retain millennial talent?

The first thing to do, if you want to attract millennials to your organisation, is to examine any biases against that group within your organisation, and strive to create a culture that is more accepting and accommodating of millennials and the situation they face, without being condescending. After all, the oldest millennials are in their mid-thirties now. These are not immature children, whose opinions can be dismissed as a combination of inexperience and one too many participation trophies.

Don't dismiss social media. It's important to recognise that, for millennials, engagement on social media is an integral part of their generation's social norms; it is not simply an unhealthy thirst for attention. As such, office policies that take a hostile approach to the use of social media are likely to be alienating. It would be a far better approach to embrace your younger team members' social media engagement. For example, by making sure your business is Instagram or TikTok-friendly - you encourage engagement, that can bring beneficial PR, while helping to make your work environment more inclusive and accommodating for your millennial colleagues.

It's important to appeal to millennials' desire to be part of something meaningful, through actions which make them proud to be associated with your business. It's not fair to say, as some do, that millennials have an exaggerated sense of their ability to change the world – they're no more naïve in this regard than any previous generation was at that age – but they do feel that change is needed urgently, and that they need to be a part of it. Your business should be doing something meaningful, either as its core product, or as a by-product of its success. Make sure that your millennial colleagues' work contributes to some positive change, and make sure they know and understand their role and contribution in this.

Managing millennials is not easy and, if you don't approach it right, it can feel like a Sisyphean exercise in frustration. Think about reversing your vehicle with a trailer in tow. It's challenging to keep that trailer heading in the right direction. You have to make constant minor adjustments to get it where you want it to go. That's what managing millennials can feel like. But now imagine multiple trailers, one behind the

other, and how the task's difficulty increases exponentially with each trailer added. That's what managing a team of millennials can feel like.

You might be thinking that this analogy breaks down because there's an easier way to move trailers, which is to pull them. But that is precisely the point – it's a mistake to try to 'manage' millennials. What you want to do is inspire them. The new-age manager can't afford a traditional, hierarchical management approach. They must be an inspiring leader.

A leader isn't someone who simply issues instructions, relying on their authority to provide sufficient motivation. Leaders inspire their colleagues. Leaders motivate their colleagues personally, ensuring successful completion of the work assigned. A leader does not view their colleagues as interchangeable tools, but recognises them as individuals, who have unique strengths and weaknesses. Leaders are open to solutions that accommodate their colleagues' weaknesses, and are adept at capitalising on their strengths.

So how does one work towards inculcating a millennial-centric leadership mindset? You take the effort to create an office environment and culture which addresses millennials' weaknesses, while deriving maximum value from millennials' strengths.

Millennials are generally creative, anti-establishment thinkers, with a native understanding of technology. If you're in the business of disrupting industries, these are priceless traits. Make sure your business encourages creative thinking, be receptive to out-of-the-box ideas. Never allow a corporate culture to develop where your colleagues expect their ideas to be shot down without consideration or, even worse, adopted without acknowledgement.

Millennials are used to being undervalued. It's crucial to make a point of recognising the excellent work they do, at the time when it's done. Do not leave it until their quarterly review – they might be gone by then. But equally, don't forget to acknowledge their excellent work at the quarterly review too.

Millennials hate the idea of stagnation. The moment they feel like they aren't learning something, they will start to get restless. The answer to this is to initiate a mentorship scheme, or investigate other ways to support self-development goals.

By default, millennials often assume that they're expendable to the business, and that their career development is entirely in their own hands. That is their lived experience, and you won't persuade them that it's not true. They have seen the last-

in, first-out principle in action, and platitudes about career development will not inspire confidence. If all you're offering is the potential for rewards or promotion in the medium- or long-term, you can expect millennials to keep looking for other opportunities to further their careers.

I often hear people criticise millennials for this perceived expectation of short-term reward, which older people tend to regard as an unreasonable, instant-gratification mindset, but you will not convince them to change. It's not that this vibrant generation demands rapid promotion, it's that they need frequent reassurance and confirmation that they are developing. The problem usually comes when a millennial's expectation of advancement conflicts with a more traditional, established model of career progression.

One way to address this is to set recognisable, measurable goals as milestones marking your colleagues' progress. By selecting this path for them, they'll know when they've progressed a further 5% towards their advancement and will clearly understand where they need to improve to get the rest of the way.

You can also try small, one-off rewards. Don't underestimate the power of an afternoon off, or a cash bonus for hitting a target.

Chapter Thirteen – Building Your Personal Brand

In the past, when people used the term 'brand loyalty' it was in reference to a business or product. People would buy from a company, and the specific make-up of the team assigned to the work was considered largely irrelevant. These days, it's become normal to form business relationships with individuals, and make hiring decisions based on who will best carry out the work. Increasingly nowadays, the name of the company where your preferred individual works has become inconsequential.

If it wasn't previously clear, the COVID-19 pandemic should have made it explicit that you cannot rely on your employer being there for you, and you cannot rely on your company's reputation for your own professional status. Instead, you yourself need to be the face of your work. You need to be actively in charge of your professional network and connections. One day, you might find yourself looking for work, and when that day comes, it's important to have already established the channels with which you

will need to engage. As millennials well know, it is pointless to spend countless hours, and endless stress and anxiety, to deliver high-level work that only gets credited to the name of your corporation. Instead, you have to promote yourself, and let the world know that you did the job as a business professional in your particular industry.

In a traditional employer-employee dynamic, the approach was to build up your profile, to maximise your potential access to jobs at bigger companies, and more senior positions within those companies. The ultimate goal was to become a senior manager, partner or director at the prestigious company of your choice. Eventually, you might be lucky enough to end up sitting around a fancy dinner table with other high rollers, bragging about how your corporation is the largest provider in the industry, with a market capitalisation of x billion dollars.

But how sustainable is that kind of strategy in the modern world? The corporate mindset seems to have a fixation on increasing revenues year after year, insisting on endlessly compounding growth. But what this means is that each employee is only as valuable as the current market position of the business as a whole. Your bragging rights are beholden to the other departments in the company also pulling their weight. A clever marketing campaign by a competitor can mean you personally lose your status as a market leader.

One also has to consider office politics, which can be very tricky to negotiate. You will sometimes encounter difficult, manipulative people, putting you in a position where you need to play the political game to avoid regressing. People often feel that these dynamic, sharp-elbowed companies are the place to be. The company where overly eager juniors are coming in and shooting the lights out is where things are happening. These aggressive young guns get rapidly promoted into managerial roles. These are the rising stars, the 'future of the business'. I can see the logic of this.

But as you become more senior within an organisation, you might find that a kind of comfort zone syndrome starts to set in. On the one hand, it may feel troubling to see youthful colleagues creeping in on your right flank, but it is arguably worse if your business does not promote modern, challenging thinking and ideas. The danger is that you could find yourself working with an ageing team, lacking in ambition, drive and that indefinable X-factor. I've interacted with senior professionals like this myself. They do their job to an acceptable level, but they don't change the world.

So what does one end up with after twenty years of working in a big company? You may find that all your hard work has built up the company into a big corporation.

Hopefully, you've saved enough money yourself to buy a house and two cars. You've taken foreign holidays every year, and you're recognised as a person who has done well for themselves. You've raised your children, and seen them through high school. But what now? You may have built up the company's brand, but does anyone know about your own?

It's crucial to start developing your own personal brand. We live in an age of self-promotion platforms, such as Instagram and LinkedIn. My advice for anyone is to take the time to perfect your LinkedIn page: make it engaging, and keep it active, by posting regular updates on what you're doing. You mustn't just rely on your company's brand. Make sure people are associating what you do with you. Social media is your tool for making people aware of you as a brand.

And managing your personal brand goes a lot deeper than these simple steps, because you as a person becomes synonymous with what you do. So, you also need to work on yourself, in every way. Put in the effort to be healthy, and to look and feel good. You are the face of your brand, so being perceived as active and reliable in your life really matters. If you were to be perceived as being lazy or unreliable in your personal life, that would obviously reflect poorly on your professional brand.

The way to build credibility is to ensure that your brand stands for something. Do things that are meaningful, and that have tangible outcomes. You cannot talk about what your brand stands for without actively representing what your brand stands for. Having a personal brand means you now have an audience; they are watching, and they are paying attention. Being the guy who talks the talk without walking the walk is not the way to create a successful personal brand.

It's important to do things to make your brand authentic. So if part of your ethos is that you care about combating hunger, go and volunteer at a soup kitchen. Take action. People today regard virtue signalling as something unbecoming, and it only fools the foolish.

To build your personal brand, you need to be self-reliant, and develop a habit of continuous and directed learning. You have your main area of expertise, and of course, in many situations you can and should outsource the work you can't do. However, when it comes to working outside of your skillset, if your default is to always get someone else to do it, you're setting yourself up for failure. For example, there are too many people in this world who take the attitude that menial tasks are beneath them.

During the Covid pandemic, many people were faced with this issue, even when dealing with routine, everyday tasks, which they'd previously taken for granted that they could pay someone else to handle. So, for example, people with a swimming pool found themselves stuck, because they didn't know how to clean and maintain it themselves. People who couldn't cook found themselves relying too heavily on processed, unhealthy foods. Many of the services we take for granted were no longer available, and for a lot of people this caused tremendous inconvenience and frustration.

Being self-reliant is about ensuring that your default response to work outside your skillset is to be willing to learn. Or at least attempt the basics. For example, the next time your Wi-Fi stops working, try to ensure that you know enough about your IT infrastructure to handle the basics. Because, inevitably, the day will come when you find yourself in crisis mode. You won't have the option of getting somebody in to do it for you in time or on budget. If you have not prepared yourself for that eventuality, you will have no options, your project will grind to a halt, and nothing will get done.

One facet of the modern mindset for presenting ourselves as a brand is the rise of the 'social influencer'. This phenomenon is why these days you hear more and more about teenagers earning millions by posting videos on Instagram and YouTube, or promoting things like haircare products to their millions of followers. We live in extraordinary times for business. If you want to create an online presence, you need to get that momentum started today.

Everybody starts somewhere, and starting, for most people, is primarily a mental block. The problem is that this mental block can last for years. If you believe in developing your online persona, stop everything you are doing, get your phone out, download one social app you think could benefit your business, upload your profile photo, and go from there. You may not love it on day one, and you will no doubt find yourself getting sucked into comparing yourself to others who have already established themselves on the platforms. Watching other people who are doing well on your chosen platform is likely to be disheartening, and make you feel that you have a mountain to climb.

But all you have to do is just start with your first post. Nobody is judging the quality of your posts, so banish the thought of people not liking what you are posting. Just get started. I assure you, in three weeks, when you look back, you'll be a pro by comparison. You'll have connected with lots of new people, seen some exciting

content, and most importantly, you'll have shared some content of your own. The focus here is to be a content creator. Even if you are just entertaining yourself, that's a great start.

Social influencers seem to have landed with their bums in the butter, as we say. They represent their brand and their audience knows them and they trust their recommendations. Make no mistake, influencers are not a fad. Social influencers, or you-as-a-brand professionals, will come to have the same status and importance that big consumer brands have had over the past 40 years, as the next decade progresses. People consume this content because it's direct, and feels raw and uncut. Influencers, and maybe you, can have the virtue of coming across as genuine and authentic.

You may not know this, but many social influencers spend hours on just putting together a one-minute daily clip. It may look quick and throwaway, but some of them have teams of people working with them to make them appear spontaneously creative. When their posts are published to the proper standard, they can garner millions of views. If you sat down with one of these success stories and asked them why they have done so well, you will find that they take the creation of their content extremely seriously. This level of professionalism is the key lesson.

When you regard your online presence as a business, you will treat it with the same attention as a traditional business. It is all about survival. If you carry out your work to the highest standard, you will succeed. If not, you will have nothing. The standard for professionalism is high across every industry these days. It is simply not good enough to just take part. You need to up your game. And the only way to do this is to start by doing the best that you can, and then focus on consistent improvement.

When it comes to your online presence, it's imperative to think about what content you put up and how it reflects on your persona. Every time you post a comment, picture, video or share, you are saying, 'This is what I stand for.' You need to decide early on, I believe, whether your posts are going to be political, or driven by some kind of message.

My advice is to keep politics out of your business messaging. You will inevitably go down a spiral of picking sides, and developing a partisan identity, and this will inevitably alienate potential customers and partners. This immature approach is not what you want while building a career or business. Be professional. One day, if you become successful, you can voice whatever views you may have. But until then, stay

focused. The impression you are trying to project into the world should be a positive one, so that all types of people will want to work with you.

Any comment you make should be gracious, positive and upbeat. Always err on the side of optimism and positivity. Nobody likes a moaner. Be complimentary. Never give the impression that you are suffering from some kind of mental stress by posting things like, "I needed to hear this." Businesspeople who follow you do not want to hear that you are just human trying your best. Once in a blue moon, you can get real and share what's troubling you. But generally you should aim to come across as well-groomed, humble but sure of yourself, and most importantly, always have the utmost respect for everyone. You never know who might be reading through the comments and notices yours.

The networking mindset is all about, *It's not what you know, it's who you know*. When I was younger, I really took to networking. I believed that if I connected with enough people in a meaningful way, I would be able to tap into that network. It was a painful exercise to find myself zipping through my twenties and into my thirties, only to discover that although I had made many acquaintances, I just couldn't benefit from those I connected with, beyond the pleasure of just knowing a lot of people. In my forties, some of those connections started to become somewhat useful. But I spent ten years thinking I had gone astray, that I had wasted my time by networking so much. In hindsight, it all came together later on in my career.

Networking is a lifelong activity. It's possibly one of the slowest things you will do, in terms of earning any benefit from it. When we connect with people, we should aim to be at the top of their mind for the right reasons. As we go through life, none of us is a saint. You will have probably had your reckless years like many of us do, but it's important to understand that people will remember you, so you really want to have 90% positive interactions, with hopefully only around 10% of people remembering that time you vomited out of the car window!

Networking has many facets; I've touched on social networking, but it's also a matter of talking directly to the right people, and keeping your message focused. Make sure you're talking about the work you do. Don't sit there having a conversation about sports and think you're networking, unless you're actually in the sports business. Always make sure you get that person's contact details, particularly their phone number. There's a lot of value to having someone in your WhatsApp or Messenger app, rather than just your email.

It's important to put effort into crafting your online persona. How you present yourself truly matters. If you're going to be on camera, whether that's broadcast television or just a Zoom meeting, you need to look professional, and your workspace needs to project professionalism.

There is an etiquette to networking, and it's best to adhere to it. People don't like to feel like you are trying to sell them something, so don't immediately bombard them with a sales pitch, if you're adding new connections to your network. Show a little class. Take your time. Try to get to know the person you have been connected with for many years. Slow down. Engage with them. Comment on their posts occasionally. If you only have their phone number, maybe give them a call to say hi, and mention that you hope one day to do some work with them. It is also essential to talk about your 'thing', your hot topic, your growing enterprise, and how your business is going to revolutionise the industry. Let this topic guide your passion for creating great content online.

When I was younger, I always wondered what my 'thing' would be. It always feels awkward when someone asks you what you are up to, if you don't have a decent reply. *What do you do? What are you involved in these days?* If you don't have a 'thing', these questions are hard to answer. It took me many years to work out what to say. In my late twenties, I became involved in the actuarial industry, and that became my 'thing'. I started to network a lot in those circles. It's important to have that base industry you know you want to network in. Otherwise, in all honesty, you're lost. But what if you haven't yet worked out where you fit in? In that case, you need to fake it till you make it, say you're interested in business in general, and see where that gets you.

The secret to networking like a pro is to avoid appearing like you're networking at all. The image you want to convey is that you're just going about your typical day, reading through things, making calls, and commenting here and there on topical issues. A better way to do this is to focus on building your network. Engage passively at first, review after six months, get a sense of how you're connecting with them and only then engage with them directly. Before you even make that serious call or send that work-related email, it's better to ensure that the person is familiar with you in some way, even if it's something as light and trivial as liking a comment on a post they've made. Just this kind of small connection can mean that, by the time you ask them for coffee, they feel like they know you a little bit, because they kind of do. If you have come across in a genuine way, they will be receptive to your approach.

Networking is a daily grind without short-term rewards. You need to understand that it's an ongoing process, that only pays dividends further down the line. You have to turn networking into a regular habit, and make it something you do every day without thinking about it. It is so much easier to just do the fun stuff like watching YouTube in your spare time or doing things that aren't work-related. Instead, it's important to remind yourself that you need to spend your time being productive. Force yourself to do it. If we have to earn a living, we need to make sure we connect with the right people whom we can integrate into our working lives. It means having an extensive network, that gives us options for the future.

There are various strategies to growing your network, whether that's organically or aggressively. Be aware that there's no one-size-fits-all solution, and you will need to put careful thought into evaluating each tactic before deciding whether it's right for you. Some people like advertising and marketing, which is the paid-for approach. Some prefer the one-on-one approach. Of course, the paid option is no good if you have no money. The key is to pay attention – when you hear of something that seems to work, write it down and try it yourself. Will it connect you with the right people? Will it connect you in the way you want to be connected? Be cautious though, if your strategy of networking has a sales pipeline approach, you run the risk of looking fake to important people.

The one certainty is that everything is digital these days. Just a few years ago, digitisation was not the status quo. The Rolodex was the ultimate symbol of the size and significance of your network. Nowadays, most young professionals don't even know what a Rolodex is.

It's also vital to remain conscious of the end goal of networking. You're not doing all of this to expand your social circle per se. You aren't looking to make new friends, or become more popular. The purpose of networking is to generate business. Anything else is just a bonus.

When building your online brand, it's crucial to always be deliberate with your content. My advice is to tailor the content of your message to each social network and audience. Make sure that you post with the appropriate frequency. If you don't post content often enough, you may lose relevance, but if you post too often, your connections will see that as spam, and you risk becoming filtered. As with all things, balance is key.

If you aren't deliberate about what you post, and you aren't posting consistently, your approach will be perceived as lazy, and lacking in value. If you can't stick to it consistently, it may be better to post no content at all, because at least then you wouldn't be diverting energy into something ineffective.

There are two types of goals when it comes to creating content. The first is content that you distribute to enhance your business message. The second is creating content, where this comprises the entire business model for generating money. The first goal falls into the category of marketing. The second falls into the category of a revenue model. Let's briefly look at an example of the second.

My daughter is six years old, and we have purposely encouraged her to enjoy as much screen time as possible. As society moves into the realm of the virtual, I have ambitions for her becoming a mechatronics/programming expert, able to build hardware and software for the virtual universe. That's a long way away, but in the meantime, she has her tablet, which she loves. Soon, we'll be exploring games, and going down that rabbit hole. One of her favourite TV shows is *PJ Masks*, a lovely cartoon about superhero kids who save the world in their pyjamas.

Consider for a moment what it takes to produce, distribute, and finally make a living through creating such a complex production. There are huge teams involved in the storyboarding, writing, animation, voiceover work, special effects and other graphics. The list of contributors for a series like *PJ Masks* must be enormous. In turn, the production company negotiates contracts and legal terms with global channels that will distribute the shows. When we sign up for Netflix, a portion of our rental somehow gets funnelled to the show's producers.

My daughter also like to watch the *Lego PJ Masks* show on YouTube. It's presented by a child who has lots of *PJ Masks* Lego characters and paraphernalia, such as buildings, rocket ships, cars, and all the other kinds of toys and products you can buy that are connected to the show. This kid and her friends play with the toys, and record these play sessions, with quality production values and send the footage to an editor, who adds some graphics and special effects. They distribute the content on their YouTube channel - which seems to be unaffiliated in any way to the original show producers.

This channel gets literally millions of views. The advertising revenue they receive from YouTube could potentially be more than the actual *PJ Masks* producers make for the production and distribution of the real show. This is an extraordinary

example of the Fourth Industrial Revolution, where if you can produce content that people want to watch, you can make money. With this example in mind, consider what else is possible. People are already generating millions of views, and millions of dollars in advertising revenue through these platforms. How do they do it? The answer is simple: they started with an idea. You take an idea, put it together, develop it, publish it, and eventually if it builds momentum, you could end up on a roller coast ride of success.

The YouTube platform is an enormous ecosystem, that enables content producers to create content, without having to know anything about how to distribute content themselves, or build an actual website. This is fundamental to the Fourth Industrial Revolution. A content producer today does not need to interact with advertisers, or sign any complicated legal documents. YouTube has created a supportive, welcoming environment for content producers to join their ecosystem. Everything is set up already for you to join in, tick some legal boxes, upload content, and if the content is popular, you will get paid.

For its part, YouTube as a company doesn't need to produce any content at all. YouTube's role was to create the ecosystem. Content producers upload content. Advertisers are happy to pay for advertising on this platform. Viewers find the content entertaining. And so my six-year-old daughter, being a consumer of content, knows exactly where to go when looking for quality content. This example illustrates just how simple online content can be. If you have a compelling idea for content, put it together, and you may be able to create a business out of it.

Now, I am not saying it is easy to make money in the Fourth Industrial Revolution. What I'm saying is that the barriers to entry for making a lot of money have never been so low, at any point in human history. It still takes a tremendous amount of effort, and a lot of good luck, for a brand or business to take off and maintain its momentum. But you will only succeed if you try. Do you want to be that person at the dinner table twenty years from now telling their story of how they made something happen by pursuing their idea? Or the person talking about how somebody else got their success?

I think I know your answer.

Chapter Fourteen – Technological Development

To thrive in the modern business world, you need to be constantly learning, and developing your skills. A key part of this is becoming proficient with new developments in software and technology.

There's a common complaint in corporate workspaces these days: "This meeting could have been an email." Innovations in the software industry have given us ways of achieving our business goals with much greater efficiency than traditional, old-fashioned methods. If you ignore these developments, you will do so at your peril, because your competitors and rivals are bound to become increasingly tech-savvy.

There are certain standard requirements you will need in order to operate efficiently today. You've got to have a decent laptop and smartphone. You have to ensure you're utilising technology intelligently. If your business processes include tasks that you aren't performing digitally, there's a good chance that 'There's an app for that', that you should be taking advantage of.

Due to COVID-19, we are now all very familiar with video conferencing tools like Zoom. Shifting to digital meetings cuts down on all the unproductive time you would otherwise spend travelling from one meeting to another. It also renders your meetings accessible to team members in different geographical locations. Holding digital meetings is obviously far more efficient.

At Virtual Actuary, we've been using programs like Zoom since we opened in 2017. At that point, it took courage. We had to turn down in-person meetings, and explain to clients or potential clients, "We don't want to waste your time by coming to see you until we know a little bit more about your needs." We needed to put it like that, but the hope was that the clients would appreciate the benefits of meeting digitally, and would decide to continue doing so. Any new technology takes a bit of effort and time to get accustomed to, but once people see the benefits it offers, they will hopefully adopt it.

Meeting clients face-to-face is still perceived as being the 'done thing', not because it is necessary anymore, but simply because it has become an ingrained habit. It's easy to forget what a recent innovation video conferencing platforms like Zoom or Teams are. Not long ago, before standard internet speeds were fast enough, video conferencing was largely impossible, and so consultants felt that their clients were not getting the complete picture unless one was sitting in front of them. Clients,

on the other hand, had never experienced a different way of working, and just became accustomed to having consultants come to see them.

For most of my working life, I've spent countless hours on the telephone, and became very comfortable doing business this way, but many people struggle with it. My approach has always been to be constantly questioning. *Are the old ways truly the best? Is it vital for someone to be sitting in front of you before any exchange of information can occur?* Of course not. *Is it pleasant to meet in person?* Yes, of course, but there are also drawbacks and costs. The travel time is a huge issue. In-person meetings are completely inefficient. Business is always becoming increasingly competitive, which means we have to be striving for efficiency. Wasting time travelling is massively inefficient. Sometimes it's necessary; I appreciate that. But you should also ask yourself: *Is it really necessary to conduct this meeting in person?* You'll find that, most of the time, the answer is no.

Communications tools, such as Slack, are designed around collaborative projects and effectively communicating with your team. These message-based systems are also invaluable when working across time zones. We've even started using Slack at Virtual Actuary to interact with specific clients. It is a messaging app that is similar to WhatsApp or Messenger. It allows us to recreate the office environment. It has a main room which acts as a live noticeboard. We can all see when there is a new message posted. We can comment, create side discussions, add emojis and pictures. We have a random room, which is just for fun. And we have private rooms which are client- or project-specific. Each person can also post private messages individually or in small subgroups with anyone else. These messaging apps are perfect for helping people feel that they are part of a team.

Since using Slack, we have not once felt lonely working from home. It is all about how you look at it. If you embrace working from home, having your space, and working without being disturbed by someone coming over to your desk for a chat, then that is the experience you will have. If you work from home and whine about how lonely you are, how you miss throwing paper aeroplanes, and how team meetings are just not the same without a whiteboard, then that is the experience you will have.

To me, these messaging programs are wonderful, engaging and exciting. I just love them. I love getting messages at night, even while I'm lying in bed. I don't find them intrusive – I can always choose to respond or not respond. Today, we have blurred the lines between personal and work-related messages. I do not buy into the

idea that they should be kept separate. That said, I do observe some rules out of respect for others. I don't message clients after 6.30 pm. I try not to message my work colleagues after 8 pm, unless it's urgent. If someone messages me, I never complain. I can choose whether to respond then or in the morning. You have to be able to set your own boundaries. There are people who will complain if you don't always respond immediately, but frankly they need to grow up and deal with working life.

At Virtual Actuary, the work environment we have set up is a self-regulating one. If you are a pleasure to deal with, you'll receive lots of invitations to work on new projects with other colleagues. If I feel that someone is antagonistic towards me, or making me feel awkward about interacting with them, I can just choose not to interact with that person. In a roundabout way, Slack recreates the office environment. When we initially chose to use it as our messaging app, we did so because it had a function for creating individual rooms for clients and projects.

WhatsApp is too 'noisy' for work purposes because most of us also have lots of friends messaging us on there. WhatsApp doesn't offer a side-panel view of different 'groups' at this stage. In South Africa, WhatsApp is the leading messaging app. In the US, I hear it may be Messenger. When I was in New York last year, I bought an Android watch. That night, when I was setting it up in the hotel room, I realised it could not send voice notes backwards and forwards on WhatsApp, so I returned it the next day. It is interesting how our software and hardware expectations have changed so quickly. Tools that were an extraordinary luxury ten years ago are now considered a minimum requirement. The rapid pace of technological development is why I can be certain that most companies are way behind the curve on software. Their standards for what is acceptable in the way their company operates digitally are, in my opinion, not forward-thinking. They are happy to catch a bus while others fly by jet.

IT support is another area that has been transformed in recent years. The model now is so quick and efficient: allow remote access, fix the problem, log off. A small access program, such as TeamViewer, is essential for anyone who is not handling their own IT needs. Using this software, your IT technician can access your computer remotely and perform any required maintenance quickly and easily, without physically having to travel to you.

If you don't have full-time IT staff, having someone capable of sorting out these issues quickly and on-call is a must. It makes no sense nowadays to have someone take the time to come and visit you at your office. We are gearing our entire business

to work efficiently. Part of our vision for the future is having our actuaries logging into their clients' systems, performing the necessary actuarial calculations, and then logging off.

Of course, there are times when an in-person meeting can be helpful. You may want to get together for strategic planning, or other important discussions with clients and colleagues. But that old-fashioned practice of physically showing up at reception with your laptop bag, then sitting in the client's office for the mandated nine to five, is just silly in this day and age. It's my belief that expensive office space and big corporate buildings are no longer necessary for many companies.

There's a long and interesting discussion to be had about what will become of these giant buildings in the future, but I guarantee that in twenty years, office workers will not all be sitting together in massive buildings with open-plan offices. Possibly one can turn these big commercial buildings into residential living spaces, with apartments, shops and hair salons - creating new neighbourhoods.

You should ensure you have a rock-solid calendar/appointment system on your phone, and get into the habit of using it. One of the secrets to being self-sufficient these days is to juggle a lot of different things at any one time. Professionalism covers a wide range of aspects. One obvious facet of professionalism is to show up to your meetings on time, whether that's in person or digitally. So when someone asks you to call them in three months, you need to put a reminder into your calendar there and then.

I have my calendar synced across a few devices and my phone. Often, I'll be in the garden quickly sorting out something at the back of the property, and a reminder will pop up on my phone to do something. It is extremely efficient and convenient. No matter whether I entered the reminder on my laptop or my phone, it will remind me on both automatically. The whole system syncs with all my devices. Clearly, this is not rocket science, but if you're one of those people who are still writing your reminders in a physical diary, don't be surprised when you find yourself struggling to keep up with fast-paced global projects.

This is the digital age. Soon, we'll have a device we carry with us that is primarily voice-activated. It will project everything we need to see onto the surface in front of us. If you think this sounds like something from a science fiction novel, you're entirely out of touch with what is already happening in the hardware world. We all face the same choice: we can either embrace digitisation, or run away because it's too difficult.

This fast-paced world of digitisation is why I encourage my daughter to have so much screen time, because I know what's coming, and she needs to be comfortable engaging with all this technology. The calendar apps we use today will soon become digital personal assistants.

One application I use a lot is something called Foxit PhantomPDF. It comes with a feature for signing documents digitally. This piece of software is really a pleasure to use. Once again, this is connected to the vision of running a paperless office. Without this software, I'd always have to print out documents to initial each page and sign. So this feature has had a huge impact on my efficiency.

As I often say: it is incredible how much can happen in one day. I only made this discovery quite recently when I travelled to Texas to spend time with one of our partners. He introduced me to this program when I needed to sign some documents, and he remarked that he thought I was mad to still be printing out a one hundred-page Master Services Agreements. It only took him two seconds to show me the program. We downloaded it, and that was the last time I ever printed out a lengthy document to sign.

We have already touched on the importance of having a learning mindset, when discussing the significance of being self-reliant. It is also essential to work on your digital soft skills – these are simple qualities which add value to your work. The following are some examples.

You can improve the quality of your social media posts by understanding how to produce visually appealing images. If you learn the basics of taking photos and videos, and some digital editing techniques, you will ensure that your content stands out. It's probably not necessary to outsource this to someone; instead, you can add a sheen of professionalism to all your content with just a little upskilling.

Similarly, you're much better off upskilling than trying to find somebody to take care of your social media on your behalf. Keeping up to date with getting your message across on social media can be a hassle, admittedly. But the upside of doing it yourself is that you become empowered to learn the different cultures and the 'look and feel' of the various platforms, and how they differ from one another. It is also important to understand why certain apps gain a lot of traction, while others do not. I want people to move away from thinking about these platforms as 'social media', and substitute it with the term 'life online'. By immersing yourself in these apps and websites, you will improve your ability to interact with your industry. It might take a few years to get a feel

for where your audience is, and unless you are the one doing it, you will not be able to spot the critical developments in the progress of your brand.

It takes a lot of effort to keep interacting with these platforms constantly. You have to force yourself to develop the habit. Most of us already interact with these platforms for personal use, and that can be fun. It is relaxing, entertaining and pleasurable. But what I'm talking about is building your brand as a business, which is a completely different matter from just relaxing, lying on your bed and having fun, as you're passively fed content to consume. Of course, we all dream of work being fun, but it's not really fun until it becomes fun. We all aim to reap the financial rewards of our efforts, and that can be exhilarating. But until that happens, work is an effort.

So, your aim should be to be at the top of your industry's thoughts, and you need a clear strategy for achieving this. The first goal is to know where everybody online is already hanging out. Which platform are they primarily interacting with? What do they find entertaining? What do they consider spam? Remember, you are the content creator, and your clients are consuming the content for their entertainment. If your clients are reading an article, it may be industry-related, but they're doing it for enjoyment.

Your colleagues in the industry are inevitably going to be consuming this type of content, so you might as well make sure that you are the one producing it. Keep your content topical and exciting. You have to learn what content to put together, and add visuals that complement the message you are getting across. You also need to use these platforms to analyse what others are doing, and figure out where and how it succeeds. Luckily, today there are clear ways of measuring success. You can literally see the metrics of any post's engagement. There are like counters, comments counters, and views counters for videos or tweets.

The only way to spot new opportunities is to connect the dots, and to constantly be looking for new ideas. Let's imagine, hypothetically, that you've invented an unusual, new type of shirt. This shirt has a feature that displays your phone's screen on the sleeve, so the wearer doesn't have to pull out their phone every second. If you are regularly engaging with multiple online platforms, at some point you will spot an opportunity. A gap. A way of getting people to want to buy your shirts. Perhaps you might spot some up-and-coming influencers who would be ideal to promote your product. They might be teenagers, who would be receptive to receiving a gift of some shirts.

You carry out your research: two of the influencers have four million followers each. You message them privately, and offer to send them a few shirts free of charge. You're confident they'll love the shirts, because you've seen that these kids are always out on their skateboards and bikes, so it can be difficult for them to pull out their phones at times. You send them the samples. They wear the shirts, and they love them. They can't stop posting about them to their four million viewers. Then, one of your influencers goes viral, after posting a video of themselves skating during a hurricane. In the video, they look incredibly cool wearing your shirt. The internet explodes. Everyone wants to know where they can get hold of these fantastic digital shirts. You spotted a gap because you were active, connecting the dots, and looking for opportunities. And now, you're selling like crazy.

The key to achieving success in a digital environment is to have effective systems in place. Let's go back to the basics of upskilling yourself by running a digital office. All of us have already learned a huge amount about working more efficiently, as technology has improved and we've familiarised ourselves with its features. At a basic level, pretty much everyone now knows how to check their emails, which program on the computer to click on to access them, how that program functions, and so on. A form of upskilling would be to work out how to back up your emails, so if that if your computer breaks down, you don't lose everything.

When it comes to your office documents, where do you store them? Are the files on your computer labelled so that you can access them quickly the next time you need them? When you find a helpful document template, store it in a file on your computer within easy reach. It's important to understand that you should have all your passwords written down somewhere, so that you have the login details close at hand the next time you need to log onto a website. In all these small details, the focus should always be to become more efficient as an entrepreneur.

None of this is about upskilling you in an academic, theoretical way. This is about practical personal development. For example, are you aware of why the Wi-Fi signal in your house is stronger and weaker in different parts of the house? How do you feel about the fact that you are unable to conduct your business, or talk to colleagues and clients, from certain parts of the house, because the Wi-Fi signal is so bad? What can you do yourself to improve the Wi-Fi signal? How will you access the internet if you travel to a different location? Do you have a mobile Wi-Fi router with an internet connection? To me, it's completely unacceptable to just say, "It's fine, I'll set

up my computer when I get to the hotel.” What about the hour-long ride from the airport? Personally, I can get an awful lot done in the taxi travelling to and from the airport.

Every one of us has a choice to make about how we approach the future. Some people are determined to be brilliant at navigating this new digital world. Others just want to relax in their downtime, read books or do some cooking. Personally, I have a vision of being completely connected, so that at any second, I can access all my files, clients and colleagues. I want to be able to have an idea, then action it immediately. It might be an idea for a branding campaign, or reaching out to someone I want to record an insight with, which I'll release as content later. If you miss the moment, you miss the magic. Many people are unfortunately in the habit of ignoring ideas and opportunities. Personally, I am eternally curious about which digital platforms are popular right now, and what kinds of content people are enjoying. I'm 45 years old, so it's inevitable that I will find myself behind on certain up-and-coming trends, compared with an 18-year-old. But for now, that is okay. My real competition consists of the 50-year-old CEOs who run large corporations.

One of the fundamental principles on your journey of upskilling yourself in a business context is the understanding that you are a digital businessperson who uses their network to bring people together. Some people offer products and services, and others buy products and services. We all participate on both sides of this equation at different points in our lives. Your aim should be to excel at finding stuff online, and understanding which programs can help you be a better businessperson. Get to know how to download programs without catching viruses. Understand how to run anti-spyware and malware software. Learn how to make your work documents look more professional. Be that person in the company that always seems like they know everything, because you make it your goal to understand computers and how the online world works.

Learn how to make your digital office mobile, and ensure you know what to have in place to operate from anywhere in the world. Once you break through the initial discomfort, keeping yourself in a learning mindset becomes enjoyable and rewarding. And the sooner you get started, the better. The truth is that upskilling is no longer optional. There's an entire generation of technological natives coming up through the ranks, and, for them, there is really no meaningful distinction between digital life and so-called 'real life'.

We can all be guilty of wasting our time on things that don't benefit us in any way, things that distract and depress us. Take that time that you'd otherwise be wasting reading about the latest political scandals, and instead use it to improve your soft skills. Do something beneficial for your long-term success with the limited time you have.

Chapter Fifteen – Personal Development

The previous chapter was about developing your technological skills. This chapter is about developing broader soft skills, to improve every aspect of your life and mentality. A key step, in my view, is to identify a suitable role model. Every one of us can benefit from inspiration.

But when you're looking for someone to model yourself on, you first need a strategy for deciding how you to ensure you choose the right person. My advice is to take your time, and figure out which qualities the right icon or role model should have. You want to find someone who isn't just achieving success, but who also does so in the right way. Try to avoid being led by the kinds of hardcore mavericks that tend to get a lot of media attention for all the wrong reasons. Mavericks often seem exciting and revolutionary, but they can get themselves into a lot of unnecessary trouble. Being a maverick outsider may sound romantic, but it's not an approach that I would recommend.

When I was a teenager, I looked up to some of my friends' parents, who seemed to be very successful. I grew up in a community where many people had nice houses. We visited our friends' houses all the time. I felt very welcomed, and it seemed quite normal for people to have nice things. At that stage, my icons were these men who had big houses, drove nice cars, and seemed to dress very smartly. They looked like they spent their time in Greece on a yacht. They were in good physical shape, tanned, with cool sunglasses, and some of them even played loud music in their cars!

When I was in my early twenties, I was fascinated with the concept of being 'cool'. At one point, I even decided to leave university to become a full-time DJ. Driven by my love of dance music, I also looked up to my friends who were in their late thirties

and early forties, who had big houses, but were unmarried and just wanted to have fun.

I grew up believing that if you could hold a decent conversation, you were confident and driven, and not afraid to achieve great things, you would do exactly that. Although I never did brilliantly academically, I never lacked for confidence. My icons in those days were entrepreneurs and senior managers, guys who were happy to wheel-spin their cars, invite random strangers into their homes, host parties, and always pull out a bottle of something decent. I guess I was attracted to the playboy lifestyle.

I grew up in a home with a single parent. My mother lived overseas my whole life, and my father was out five nights out of seven in the week. It seemed normal to me that the father figures I looked up to were men on the go – flying in and out of the country, too busy to sit and spend time with their families. Family time at the dinner table with Mom and Dad was not something that happened in my house.

I realised in my late twenties that the playboy lifestyle was not working out, as I looked around me and realised that most of my school friends had already established themselves in good jobs. They were married, and some even had young kids. I always put in what I regarded as a solid effort at the companies I worked for, but in truth the work was up and down. I often ‘moved to improve’ from one job to another.

But people I knew who had stuck it out in the professional world, and stayed put, had succeeded. I blamed a lot of my failures, and their relative success, on them having had a helping hand along the way. But I was wrong. Their vision of how to succeed was simply more responsible than mine. All I wanted to do was have fun, because the role models I admired were having fun, so I tried to be like them. I wasn’t sure why I wasn’t satisfied, or why it wasn’t working out as I’d hoped. Maybe it’s just easier to have fun, be successful, and run a solid business when you already have money in the bank. But what I did know was that I had already turned thirty, and I needed to rethink my goals.

One evening, I was invited to a dinner, and the host was playing an Epiphone guitar. He looked kind of nerdy, but he was clearly a decent, polite family man. This was a guy who was happy to spend the evening at home, with his wife and children, singing songs at the dinner table. He was interested in what his young daughters were doing, and even played with their dolls. He seemed content. Looking around his home, it didn’t feel like a flashy, glamorous mansion, but it did have a family vibe, and a

homely atmosphere. I realised that I had been looking up to the wrong people. This guy wasn't boasting about his success. He wasn't trying to be the big man at the table. He was a simple family man.

When it comes to choosing a role model, I personally struggle to relate to people who realise the nerdy, homebody lifestyle is the way to go when they're in their twenties. Surely, for anyone in their twenties, it's the swaggering, rock-and-roll types; the larger-than-life guys; and the playboys that are going to be the ones you look up to. So I don't expect anyone in their twenties reading this to appreciate what I am saying. You're at a different stage of your life, and that's as it should be. But for me, the realisation that I needed to spend my evenings at home, and live for the daytime, not the night-time, was my ticket to success.

From then on, I did everything I could to get away from that word 'cool'. I was happy to be seen as a bore. I adopted an early-to-bed, early-to-rise attitude. I chose to focus on work and making my clients happy 24/7, often working late into the night. I would work on weekends as often as I could, so that I was prepared to give Monday my best shot.

To me, the ideal role model is someone with good family values. I found myself gravitating towards people who were putting in a reasonable effort, and slowly building their business or their life. The notion of a quick buck, or a big idea to shoot the lights out, was not what I was chasing anymore. My vision evolved: if I can build my work into a business that earns enough to pay my bills, that would be a wonderful success.

I believe that this preference for learning first, building slowly, and becoming knowledgeable in your industry steers all my answers when I am asked by youngsters what I think about their entrepreneurial ambitions. They don't always want to hear it, but when they ask me how they can become an outstanding success in their twenties, my answer will always be to work hard for other people. I believe this is the right answer, so I'm not going to be a cheerleader for people rushing to take over their industries in their twenties. I have become somewhat conservative, mindful of the challenges and effort it takes to succeed in business. When I think what real success looks like, I look at what works for the 99%, not the anomalies that make up the 1%.

My vision and ambition now are simply to be a well-presented, hard-working entrepreneur, who tries his best, with no shortcuts. I get my thrills elsewhere, from extreme sports like kitesurfing and motocross.

For some people, their choice of role model is driven by gravitating towards those who are involved in activism. I do have my own political views, but I tend to keep them to myself. I prefer conversation which is work-related or kiting-related. I don't gossip about other people, and I gravitate towards friends who think along the same lines as me. I behave in this way because I know that I will be more successful following this path.

A central focus of your personal development should be your approach to promoting yourself, and making sure you are regularly in your colleagues' thoughts. You may have noticed that kitesurfers, like many extreme sports enthusiasts, use wearable cameras to help promote what they're doing out into the public eye. Doing this allows them to publicise themselves as professional sportspeople. Even out on the water, self-promotion is easier and more accessible than ever.

Being 'top of mind' with clients or fans is Good Business Practice 101. It is a smart long-term strategy to become your own advertising agency, because engaging with an external advertising agency can be a tremendous expense for smaller companies. People will probably say you could never market yourself to a proper advertising agency's level of expertise, but I think that's debatable.

The real challenge lies in distributing the content. Suppose you are managing a team, and you need to get your message across to your industry. Or perhaps you're a small business owner, who wants to spread the word about his product or service. The same principles apply. If you cannot convey your idea effectively to the person creating the content, then you are the wrong person for the job. I understand that advertising agencies often pitch their ideas and concepts to larger companies. When companies are willing to spend large amounts of money on analysts and experts, to tell them what their concept and message should be, that's fine for them. But if our goal is efficiency, we must learn to be the experts and storytellers ourselves.

Creating content, having a story to tell, and distributing the message is vital, because the people you interact with want to understand your business and what it is you're offering. There are different types of content, and much depends upon the medium. Some content is image-based, so this is ideal for your Instagram account. You can also post it on your Facebook and LinkedIn pages, with text giving context to the message. Some content is video, such as someone in your business being interviewed, or an exciting product walkthrough. With video, your goals are simple. You need to get eyeballs watching your content, and they need to feel that it reflects

well on your brand, which means it must be well put-together, informative, and somewhat entertaining. If you get this mix correct, people in your network will enjoy your content, and engage with it, by adding comments and likes. This will all contribute to a sense that your brand is topical and up-to-date.

The starting point for all content is the nature of the platform on which you want to distribute it. Giveaways require a completely different approach to a public relations initiative. As far as possible, always aim to spread your messaging across multiple platforms. With anything you do, aim to leave the viewer feeling, *That was powerful, or I feel this brand connects with me.*

These are the sorts of reactions you might hope to generate... *This brand is forward-thinking, and definitely future-driven. I feel alive when watching the lifestyle they portray. It's fun and quirky, get in touch with us. I've been through that experience before; this brand totally gets me. Wow, that's epic. Well-made, slick design, stunning – I want one. This product will make my life better. This business oozes class, very smart.*

If you're aiming for efficiency and minimising costs, that means managing most of this marketing yourself, rather than getting someone else to do it for you. There is therefore only one way of approaching this. You need to work out where your industry colleagues are hanging out, go there, and present your company as the kind of business with which they will engage. If, say, your 'network' tends to read news online, publish a story (not a paid advertisement) that hits some sweet spot in demonstrating why your business is well placed in the current climate to satisfy the industry's needs. If you want to acquire email addresses and contact details, perhaps through running a competition, then one option would be to place an advert, offering a substantial prize as a giveaway. The people you are targeting need to feel it is worth their while to interact with your message.

One way or another, the key thing is that you need to start doing something. You need to be aware of whether what you have done has had any engagement. Is this campaign working or not? Are you getting good feedback? Are you able to monitor the results? You can't just close your eyes and ignore what is working and what is not. Not analysing what is working and what is not is like a clumsy person accepting that they will forever be tripping over, bumping their head, and falling down.

You cannot go through life thinking that anything worthwhile is too much effort. If you do, you will quickly get used to watching others soar past you. If you want to

improve, you need to start interacting with various media platforms by getting your message out there in a format that you can publish. It is much easier than you think. These days, good digital design people are easy to find. All you need to say to them is: *I want to get this message across, I'm not sure how to do it. Can you suggest a few options?* That's it. I guarantee you they will come back with some fantastic ideas. Is this cheating? Not at all. You're not using a full-blown advertising agency.

You might wonder whether it would make more sense to upskill and handle the design work yourself. In my view, it's not efficient to learn how to operate design studio software. I realised thirty years ago that some people are a million times better at art and design than I will ever be. Creating digital art is for super-talented artists. The right approach is to hire someone to create your design, and then you can distribute it. It's also worthwhile to find someone who understands how to interact with the publishing backend of social media platforms. Try to learn from them if you can. You can quickly accumulate a nasty bill if you push the wrong buttons because you didn't set the spending limits correctly. This kind of unnecessary overspending has happened to me.

How should we define this role, if you are sitting in between the designer who creates the content, and the distribution person scheduling your content? This is the role of a businessperson who has learned how to effectively outsource some key functions of your business in a way that is efficient and inexpensive. While it will not compete with major companies' glossy advertising campaigns, it will be adequate for what you are looking to achieve. And working on a small scale can deliver other perks. Perhaps you can ask your designer to produce some brief film footage, to show off your business to the industry. You could put together some structured feedback sessions, to show the industry about your innovative products.

The most valuable piece of advice I have ever received was this: *Stop putting things off till later*. The vast majority of tasks you are currently delaying could be completed in one minute, and by putting them off until later, what is really happening is that you will end up not doing them.

Procrastination leads to a messy mind. By knowing that you need to do something, you have parked that task in your mind to do later. It becomes a problem, as you subconsciously tell yourself that you need to remember to complete that small task, and you don't want to forget about doing it, because you have not written it down. This soon leads to a mental pile-up of things to be done, which is stressful, and means

there can be no true rest in your mind. All day long, you'll catch yourself thinking you need to do something, but you can't quite put your finger on what it is. This habit will stifle your mind from being clear, and prevent you from applying yourself to essential tasks.

To truly progress in life, and achieve incredible things, you need to build on what you have already achieved. Consistently performing small, seemingly insignificant tasks is the most effective strategy. When you clear your mind of distracting thoughts, by removing stresses and worries, you encourage your own productivity. This soon develops a habit of getting things done and completing tasks.

This is a simple example: you throw a piece of paper away, aiming for the dustbin. It misses and goes behind the couch. Are you the kind of person to move the couch then and there, get down on all fours and find the piece of paper, or do you leave it till later? Add up thirty little moments like that, and pretty soon you will have a cluttered living room, and a cluttered life. When you clear the decks, and free your mind, you will be able to look back a year later and realise you achieved significantly more than you used to when you were constantly delaying things till the next day, and the next day...

People feel they need to mentally prepare themselves to get certain things done, but this can be counter-productive. More often than not, you're can end up psyching yourself out, or putting off the task indefinitely, never getting started. The best way to get something done is to start doing it right away. Personal growth is all about doing things we're not used to.

A good analogy for this is the challenge we face when we have to carry something that has an awkward shape. If you pick it up initially and find it awkward, one option is to put it down and try to get a better grip. You pick it up again, but you find that you still don't have a good grip – it's just an awkward thing to carry. You now face the reality: to carry this object to its destination, you will need to hold it uncomfortably. If you try to prepare yourself mentally for the task at hand, you will not make any progress. There's no preparation you can really do. The key is to take a deep breath, pick it up, and carry it uncomfortably anyway. Halfway to your destination, you will realise you are almost there, and if you take another deep breath and push on, you will get there. The feeling of satisfaction will far outweigh the initial concern about how you might make this work.

I often ask people: *What is your default?* I am so used to doing things that are out of my comfort zone that I go through this cycle a lot. Almost every time I complete a task, I feel proud of myself for not overthinking it, and just getting it done. Some circumstances do require tremendous thinking and planning, but these are the exception. The downside of this approach is that I often find myself in challenging spots, thinking, *Why do I always end up in these situations?* Trying to balance these competing mindsets of wanting to be totally prepared, and just getting on with it, can be stressful for a few moments, when tackling something urgent.

When my family moved house, the place we moved into didn't need a lot of renovation. Even so, I installed a lot of new home comforts. Eight months after moving in, lockdown happened, and so like everybody else, we had to stay at home. My 'no procrastination' policy paid off in spades on this occasion, as we had already done most of what we would have wanted done already.

The mindset of simply getting stuff done is crucial when you're trying to build a business – in the growth phase, you always want to be punching above your weight class and taking on more than you can handle. I always know we are achieving a lot when we are doing a lot. The key is not to dwell on things, and just get started. Act on your ideas. If you do so, you will find that you get a lot done, creating space to do the next thing.

For example, if you sell clothing, you might have an excellent range of clothing to sell. You might find that your clients love your choice of items and are making purchases. But if you continue to strive for improvement, such as by spending your spare time looking for new suppliers, who might also have unique lines, you might find some gems that could lift your clothing range to heights you had never previously imagined. Another advantage to this approach is that you avoid putting all your eggs in one basket. If you'd settled, believing that your range of products was already good enough, you might end up in a difficult situation one day when your key supplier goes out of business. Suddenly, you need to find a new supplier overnight, with an equally exciting range.

In every aspect of your business, you can always dig deeper and do better. That is, if your default is to be constantly improving things. You have to ask yourself: *Do I want to be ordinary, or do I want to be exceptional?*

A few years ago, I was aiming for ordinary, because where I was in my life was not where I wanted to be. I was just seeking to fit in somewhere. If I could achieve that,

for me it would have been a significant victory. And it took a massive effort just to achieve that. But as you make progress in your life, goals change. Eventually, my ambitions grew, and I wanted to become something better than average. So I had to stop dreaming, and start putting the work in, even if that meant working on Sundays and evenings.

Years ago, I thought that doing a lot meant managing a lot of businesses. But I was wrong. My ambition had been to open and operate a whole range of companies, but I never succeeded in getting even one of them off the ground, because building just one successful business requires a full-time, ten-year commitment.

If your yardstick is that some of the most outstanding businesspeople in the world manage lots of companies, you may not have noticed that each of them has one core business that does exceptionally well. The success of the main, dominant business allows them to dabble in other companies, to see which ones might take off and which ones lose money. For most of us, this yardstick does not reflect our reality: we mortals need to focus on making one business thrive, if we want to succeed.

Getting one business to the point where it prints money is almost impossible. It's a ten-year commitment, and even then, for most people, their viable business will do no more than stay afloat and pay the bills. This, in itself, is a pretty significant victory.

A phrase you should dismiss from your vocabulary is, "I don't feel like doing that now." During the working day, we are all constantly weighing up our priorities. When we work for someone else, and they tell us to do something, we don't weigh up whether we feel like doing it, we just get it done. Our job is on the line, so we do as we're told. As an employee, if you're given an explicit instruction and you don't do it, you'll probably end up having to have an uncomfortable meeting with your boss, to discuss your refusal to comply.

When we instruct ourselves to do something, we often give ourselves the leeway of not doing things today that we don't fancy doing, even though we rationally know them to be important. This approach is unproductive. It would be good if we could be our own strictest taskmaster, commanding ourselves to do unpleasant tasks constantly, which we know will benefit our business growth. Why is it easier to take instruction from someone who holds something over our heads than it is to do the same thing if we ask ourselves to do it? The answer is simple: there is no immediate

consequence if we let ourselves down. After all, we usually show compassion towards ourselves.

But we do ourselves a long-term injustice with this attitude. We have to become our own coach and instructor. I often ask people who are thinking about breaking away and starting their own business to consider the following premise. At a regular job interview, the interviewer wants to know if you feel confident that you will be successful in the role if they offer it to you. With a cushy salary on offer, of course you answer with a resounding yes. Your history leading up to this point proves that nobody is more qualified than you to achieve the task.

However, the truth is that if you do not achieve the required results within three months, they will sit you down and quiz you on why you are not achieving the company's set goals. You might be granted a further grace period of another month or two, but inevitably, if you do not meet your targets, you will be asked to leave the business.

So how can you respond so confidently at the interview that you believe in yourself to achieve what is required? Is it a false sense of confidence? I don't think so. I believe you think you are telling the truth. If they pay you this salary each month, you will do what is required, and you know that if you get closer to the delivery date, if necessary you will work evenings and weekends to get the job done. You do not want to let them down. You do not want to be a failure, and you will show them that they made a great choice by investing in you, because you are a professional of the highest calibre. This being the case, why can't you tell yourself that you will achieve the same success if you break away and form your own business? The regular salary this hypothetical employer is willing to pay you may sound like a secure safety net, but it isn't really, because if you fail, they'll still let you go. So why is it that, when a potential employer asks you to express confidence in your own ability, you are able to give a resounding yes, but to yourself, you cannot say the same?

The reason is that there is no immediate consequence for procrastination, so it's much easier to be soft on yourself. If you're to work independently, you need to learn to show yourself as much respect as you do to those paying your salary. It's easy to tell other people that you believe in yourself. It's much harder to tell yourself.

I constantly tell myself: I am going to get this done. Achieving your dreams is a matter of habit and routine. You should have twenty or thirty goals that you are aiming for, all at once. One big goal is not sufficient. You will psych yourself out that this is

your one big thing, and you will take months or years to get it done. It's a counter-productive approach, because achieving one big thing is rarely enough. You have to aim for way more. Get more done during the day. Do the small things you are putting off, and when you look back, you won't believe how much you have achieved.

Chapter Sixteen – How to Launch Your Business

Starting a business is a bit like launching a spaceship. The crucial thing is to familiarise yourself with how the dashboard works. Recently, we decided to turn our business HQ green, and install a fully solar-powered system. It took almost two weeks to set up, and then another three weeks to get the settings correct so that it would work properly. It took another five months to get to know how to get the best out of it. Running a business is much the same. It is as if someone has given you the keys to an extremely complex machine, and now you need to work out every aspect of how to get the best out of it. You can learn to operate the dashboard from a textbook, but only daily, hands-on experience will truly bring you to the point where you are in control. Someone might tell you how this machine works, just as they might advise you on setting up your solar panels, but until you are woken up at 2 am by a loud buzzing noise, you will never understand why the fish tank heater is drawing too much electricity from the battery while the sun is not shining. These 2 am emergencies are what make great businesses thrive.

No business runs by itself. There is no magic switch to hit to make everything run smoothly. Getting to know the settings is the key to operating efficiently. If you waste your time on things that seem essential but are not, you will not have an efficient business. Running a business is not about looking the part, and giving off a cool entrepreneur vibe. Business is about happy customers that pay well while keeping your costs low. The rest is just the extra fun stuff.

When starting a new business, you need to have a number of things in place before you call your first client. These are the bread-and-butter basics, and they are non-negotiable:

Website

Register a domain for your business and create a website. You don't need a lot of content, or anything too fancy at the beginning, but potential clients should be able to see what you're about and have the facility to contact you. Today, if you don't exist online, then you don't exist at all.

Email

Get an email address at your business's domain. Doing business from a Gmail or Yahoo or Outlook email address gives off the impression that you are an amateur.

Brand Identity

This does not have to be too complicated, as it's likely to change in the short-term, but a logo and a company colour scheme are all you need at the start. It would be great to have smart-looking documents with a company colour palette and style guide, but at this stage it's not essential.

Bank Account

Clients need to be able to make payment into a professional business account. You cannot run a serious business from your personal bank account.

Contracts

This refers both to contracts with those who work for the business, and terms of trade with clients. If you're already doing business and you haven't signed contracts, you've already left it too late. The best way to avoid problems down the line is to ensure that everyone has clear, precise expectations regarding responsibilities and remuneration. You cannot take on your first client until you have rock-solid legal documents in place. Whether you are selling a product or service, you and your client are two legal entities interacting. Your arrangement needs to be precisely documented. Payment terms need to be clear, and even though you will not be taking anybody to court, you still need solid agreements. Going to court can be very draining. Avoid it if you can.

Money

In terms of finances, you just need enough to operate until you get your first payment in. This principle goes to the heart of working as a lean business. It can help to break down your operating expenses to the bare essentials. Otherwise, you will never get

started. Your goal is not to draw up a complicated budget. Your goal is to have just enough to stay afloat until the money starts coming in. Your goal should always be to build a profitable business as quickly as possible.

Minimum Viable Product

It's better to have an imperfect product than no product at all, so your first goal should be to produce a 'minimum viable product'. If you try to launch the perfect product, the odds are you'll never enter the market at all. Instead, figure out the most specific product you can deliver right now, while still meeting your clients' needs, and launch with that. Once you have your first client, and you've gained some momentum, you can add extra features.

'Viable' is the key word here. 'Viable' does not mean inferior or useless. What you're looking for is a gap in the market where a sure thing could fit a specific need. If people had that thing, they would buy it. Make it easy to obtain at a reasonable price. It's not complicated, so don't over-complicate it. Many of us have high standards and want to be known for our brilliance, but it's more important to be known for something which people buy and use. The brilliant idea which never gets made or used is worthless. There are three simple steps:

- Get something out.
- Get someone to pay for it while trying to find more clients.
- Continue to make your item even better.

If you feel uncomfortable about charging clients at this stage, allow them to upgrade to the next version for free, or at a discount. I cannot stress enough how often I have seen people developing a product non-stop, with no clients, only to find that less than 10% of the features they're offering turn out to be useful when their clients actually get their hands on it. What you imagine the clients will value about your product or service will be correct in some ways, and incorrect in others.

Consider the analogy of two friends: Peter and Paul. Both of them have a similar idea. Peter takes action: he builds his business and gets customers almost immediately. Paul decides to wait it out until the features are more developed. Paul will certainly have a much better product a year down the line, but he will not have any customers, because he has spent his time constantly looking to improve the product. Peter might have spent more time on getting customers, to the detriment of the product

in the short term, but he will have the ability to refine the product's features based on real client feedback.

If your product takes more than thirty minutes to demonstrate, it is probably already too complicated. Clients are nervous of taking on complex products, and prefer simple ones that do what they are supposed to do. The main reason is that they feel their work colleagues will not know how to use the product, if it seems too complex or difficult.

You might argue that you've addressed this concern, because you've put together an entire training session, with instructional videos and manuals. This may be how you spent the second half of your year while in production. Unfortunately, the process of making additional tweaks to the product will never end. One day, you'll bump into someone who confidently tells you that your biggest market will be China. If only your instruction manuals could be in Mandarin. It never ends! You have to take a step back. Refocus on what specific needs you are meeting for the client. Get your product out there, and then refine it as you go.

I believe that one of the reasons people push for a finished, polished product, instead of simply launching and starting to acquire paying clients, is because they want to create something unique, in the hope that someone with an extensive distribution network will come along and sell it. But it's the person with the clients who holds true power. This is a crucial detail to remember. The person with the built-up network will be well aware of this power. It is much easier to create a product than it is to develop a network. And once your rival has possession of this network, they will have more knowledge about what the clients are looking for, and so it will be easy for them to take the main feature of your product and then get someone else to replicate it. If you think your non-disclosure agreement (NDA) will stop a rival from knocking off your brilliant design, I am afraid you may end up learning an expensive lesson. Trying to prove that a competitor has crossed that particular line is likely to end up costing you a fortune, only to result in wasted energy and money.

For most entrepreneurs, it is far more comfortable being creative, rather than selling. Lots of business founders are primarily developers, and they get into the habit of developing non-stop, and taking far too long to launch. You need to remind yourself constantly that getting out there, making sales, and putting your product into the wild is the first priority.

Minimise Costs

You may have noticed that there is a consistent thread to much of my thoughts in this book, and that is that you should try to outsource as much as possible. Even if you've brought in enough work for another full-time person, instead contract them for eight hours a day on a rolling basis, rather than hiring them directly. In a world where you are trying to be as efficient as possible, while keeping stress levels low, it makes way more sense to go into every month knowing that all your colleagues who are heading into the month with you are people you are happy to have on board.

For years, I have witnessed CEOs starting every new month worrying about the salaries they have to pay. This mindset tells me one thing for sure: that CEO feels they don't have enough work to keep all those people busy. Instead, imagine if you started each month thinking how happy you are to have a particular person involved in the business, and how glad you are to have the privilege of paying them for their services. When that's the dynamic at work, everyone feels appreciated, and they know that their contribution is important and valuable, so everybody wins.

The big company culture of employees doing the bare minimum to earn their salary leads to a business having an element of drag woven into its DNA. At Virtual Actuary, we've structured our business so that when there is work to go around, we all do well, and if there is a dip, we all need to pull together to give the business a lift. This is the definition of collaboration.

Business owners also need to have a sense of responsibility in such a scenario and do their utmost to ensure that everyone in the team has sufficient work. This is why the 'organised' principle of the organised consortium is so important. In an organised structure, you have to have the right balance between growth and workflow. When a business takes a significant knock, the one thing that will make survival nearly impossible is if the company is weighed down by too many fixed expenses. Salaries are one of the biggest potential liabilities. When you have a culture of shared responsibility, then those in the collaborative work to keep the business afloat, if tough times occur. But when times are good, the same people benefit tremendously, much more so than salaried employees, because they are crucial business partners.

So, for all these reasons, we outsource certain functions in our business, such as accounting and design. We keep those professionals busy, and we pay them well. We also utilise lawyers, and other specialised services as required. For us, this is a key part of our strategy to save money and operate as efficiently as possible.

There is a growing trend for Fintech businesses which have significant losses one year after another. These companies seem to continue to acquire clients, with revenue growth numbers reported yearly. I wonder if their spending rate is justified by this rate of growth. If they do turn out to have enough funding through investment to survive these losses until the point at which the business turns around, one might think they will be in an excellent position to realise a profit. But I can't help wondering whether they could have achieved the same upswing without such huge costs, particularly on staff. Is it necessary to make huge losses year on year so that you can move into multiple territories, establish yourself, and ensure you are the dominant player in that market? Clearly, this strategy of burning money during the first few years is pretty much the traditional model for many companies, but I am afraid I do not agree with this approach.

In most of these companies, the model is to focus on speeding up the process of customer acquisition, regardless of how much wastage it entails. The managers will use buzzwords like 'first to market'. In my opinion, it is better to be careful where you spend your money, so you can grow without large potential losses. Is it a smart strategy to speed up growth for the benefit of the investors, who are looking to make a quick profit? We cannot keep basing business strategy on a few successful outliers that suffered losses for years before the eventual upswing. An outlier cannot be the benchmark.

If you want to build your business responsibly, in my view you have to bring in clients, grow responsibly, and be careful not to have too many fixed expenses. Ensure that every person in the company is essential. You will struggle to be nimble if you have too many people on the payroll. And overstaffing can lead to poor morale, because there is not enough money to reward high achievers with good bonuses. This is unacceptable. Efficiency is the key.

I recently saw the head of a start-up bragging about opening up another retail store. A retail store, in this day and age? I can't see how this is a viable strategy for the next ten years. That CEO should have been staying up every night, trying to work out how to make his products available without expensive retail space. We all need to get better at getting our wares in front of the clients without the need for costly stores. Waiting for customers to walk past your store is self-evidently the way of the past.

Competition

Don't focus on what your competitors are up to. Instead, let them worry about you. It is easy to get caught up in worrying about what your competitors are doing. It can be discouraging when you see them coming up with new products, and new ways of doing things. Some companies like to embrace this. They watch what the competition are doing and then copy it, doing the same thing better, faster or cheaper. It's true that some companies have excelled by using this approach. Why reinvent the wheel, after all? Why not be craftier than your competitors? What is wrong with taking their ideas and improving on them? I can see the logic, but this approach of watching the competition does not appeal to me.

I am essentially a purist. I feel that there's a sense of pride and honour in creating something new, discovering the wheel, and doing something groundbreaking. I'd much rather be a creator than a copier. I try to avoid seeing what my rivals are doing. I understand that you can get inspiration from others, and use some of their techniques to improve what you are doing, but I don't believe in lowering yourself to stalking your competitors for ideas. Instead, aim to be the person that the competition are always looking over their shoulders at, the one that keeps them up at night, wondering what it is that you're going to do next. New energy will shine brighter than a refurbished idea, if you can create fresh ideas and ways of doing things.

And the way to develop new ideas is to open your mind to inspiration from a range of sources. In an echo chamber, you're unlikely to find exciting new ideas. These days, everyone wants exponential growth. But the kind of creativity that generates exponential growth will never be found in an echo chamber, or an environment where everyone is watching what everyone else is doing. You will never achieve rapid growth if you are stuck with mediocre, quotidian ideas.

My tip is to make it a rule that you're not even interested in what the competition does. If you genuinely feel you are operating at a higher level than anyone else, it makes no difference what the others are doing. I am happy to focus on my ideas, because by the time the competition tries to emulate what we are doing, we will already be way past that. With Virtual Actuary's vision set ten years ahead, we are only 5% along the path of where we want to go.

My aim is to approach things differently, to treat those in our business in a way that complements their lifestyles. Our company needs to be more than a place of employment, but rather a place where business professionals can collaborate on large projects. A place where creative actuaries can build their own businesses within our

business, as we assist them to reach their potential. There are other examples of similar, supportive ecosystems. YouTube is an excellent example. At YouTube, it seems, content creators, viewers and advertisers interact in a powerful ecosystem. Building this ecosystem was only possible because the visionaries driving the company were not wasting their time watching the competition. There are lots of other examples, such as Reddit. Reddit's original competitors were other forums, but Reddit has become something so much more than just a forum. It is a whole ecosystem.

I'm never interested in what everyone else is doing, and I never allow it to sway my own views. Let the competition sit around their boardroom table, saying they cannot believe they did not come up with that idea. How are they going to match what we are doing? In a world where everyone builds a house on the shore, be the person that creates their own island. I see this as a beautiful, inspiring way to approach business.

You have a great business, with clients who understand your product or service. So give them a product that you feel is a culmination of everything you have done up to this point. Don't get distracted by what others are doing. That is their story, not yours. Who is to say that their approach will turn out to be better than yours in the long run? If you stick with your philosophy, clients will start to buy into what you stand for, and they will enjoy dealing with you. Let the experience you offer feel unique.

For example, let's say you run an art gallery, and you want to give away glitter toothbrushes at the beginning of each show - just go for it! If you think spray-painting a pink pineapple onto your clients' shoes is fun and exciting, do it. Let them sit at coffee the next week with their friend, and when their friend asks why that shoe has a pink pineapple on it, let them smile and say they went to this amazing new art gallery that's just opened up, and the experience was unlike anything they have ever experienced. Be original and memorable. Nobody likes a copycat.

Acquire Clients

The most important thing for any business is to have paying clients. Everything else is hype. A business isn't a business until somebody is paying for your product. Clients are what make it a business. As such, you should always be working on acquiring new clients, and (especially) generating repeat clients.

Everything you do should be grounded in a long-term approach. You are working towards building a business that you expect to be around for more than forty

years. With this in mind, how does one approach every interaction, and every client meeting, to bring this goal to fruition?

You might be thinking it's unrealistic to hope your business will survive for more than four decades. But why? Why would anyone build a business, if they didn't think it would last for at least forty years? If you believe that what your company does will get boring or stale, that is the wrong mindset. The business can branch out in different directions, and novelty can last for many years. Over time, you will find numerous clients who are keen to take advantage of the business's products or services. And as your industry moves and shifts, you should be aiming to move and shift with it.

Accumulating quality clients is about appreciating that your service or product is of a high standard. The clients who seek such a product or service should see you as an outstanding option. It is imperative to maintain a high quality of service, so that clients actively choose to work with you. Quality is far more important than trying to scale too quickly, which can mean losing focus as to why the clients started interacting with you in the first place. There is an old-school concept: clients are at the top of the importance pile, and you should be concerned if they are not happy. Service excellence means maintaining a high standard that everybody comes to expect when they deal with your organisation. If you have high standards of service excellence, you will attract like-minded individuals.

I don't believe you need to spend a huge amount of money to maintain high standards. Of course, having a big budget is helpful, and facilitates all sorts of opportunities to improve a product or service. It's a great advantage to have money to spend, so you can quickly create the infrastructure to attract a high level of clientele. However, a business based on spending, inevitably leads to large, and often unexpected, liabilities.

For example, imagine a small, fancy restaurant, that has the highest standards, and a menu that is absolutely unique. The right type of patron will love this place. The restaurant is able to grow slowly year on year, as word spreads. In time, the restaurant may be in a position to compete with bigger restaurants, or perhaps even open another location, to compete with more established rivals. As customers have grown to trust the brand, and the quality is top-notch, the restaurant is in a position to scale up.

Understanding the needs of your clients should be in your thoughts at breakfast, lunch, and dinner. You must be constantly thinking about how you can improve the service you offer to your clients, and how to draw them to you. At every opportunity,

whether you're being interviewed by the trade press, or sitting in a meeting, remember that your message is about the quality you stand for.

Being focused on service excellence is a twenty-year game. It's tiring, it's draining, and there is no rest. You need to ask yourself constantly: *Why are those guys not buying from us?* Maybe your competitors have a slick product, with easy-to-use technology, which makes working with them more of a pleasure. It's not so important to find out exactly what they've got, but rather start thinking about how you can make your product unique, technologically accessible and intuitive. Design your business philosophy around where you believe society is heading. For us, these principles are: shared profit for those involved, fair remuneration, work colleagues who feel appreciated and respected, and a brand that represents where the world is going, not one stuck in the past. If you genuinely feel like you stand for something meaningful, your clients will buy into this and appreciate your values.

At Virtual Actuary, we encourage actuaries to create new products which can be used within insurance companies to make specific processes more efficient. Our team have worked inside some of the world's largest insurers and banks. Our actuaries intimately understand the inner workings of many of these processes. One of the challenges for an individual actuary is that getting your product to a large client is difficult, simply because they don't know you. So when we develop something worth talking about, we facilitate demonstrations with our clients, and fully support that actuary to get their product into a client's organisation. We also provide other actuaries to support the project, who may not have developed the product themselves, but are keen to get involved in rolling it out inside the client's business.

We all succeed together. The actuary gets their new Insurtech innovation being utilised by the client, and the client gets a new-age product that will improve their processes. The rest of the team gets a flow of ongoing work. Our ecosystem is unique, because everybody is contributing and earning a living on their wits. If we were to operate as a traditional company, where everybody was just on a salary, I don't believe this type of creativity would flourish. Innovation would be forced, and not come from a true place of originality. Clients pick up on this kind of distinction, when they see that they are dealing with a company that brings impressive ideas, matching the quality levels of the more prominent firms. If you nurture creativity for more than ten years, you might create an ecosystem that will last. If you do it for twenty years, you could create a whole new industry. It's crucial to stick to certain guiding principles:

- Keep things from getting boring.
- Continuously work to transform your industry.
- Pursue ideas because they feel right, not just because you saw somebody else doing it.
- Treat your colleagues like partners.

If the user experience is consistent, and you continue to introduce valuable features into your service, you will become the preferred supplier for your product or service. And you will attract a valuable clientele, that appreciates interacting with your organisation.

Acquiring clients is also about spending every spare moment you have interacting on social networks with like-minded professionals in your industry. Many people get it wrong by seeing websites like LinkedIn as personal social networks. It is an ecosystem of like-minded people in your industry. You should be utilising these business networks to connect with like-minded people, and engage with them on topics of interest. Creating thought-provoking content generates interest, and contributes to the experience we all share when going to these websites. When you are invited to speak on a podcast or at a conference, you will receive a good response if you address topical, relevant issues in your industry. Like-minded professionals are inevitably facing similar challenges to you. So they are always going to find it illuminating to engage with this kind of content.

As the digital age matures, I believe this kind of skillset in networking is essential when interacting with clients. If you have the right mindset, you could end up building genuine friendships with your clients, and learn to enjoy engaging with their posts as much as you enjoy engaging with your other friends on Facebook, Instagram, and the other online platforms.

I genuinely find the lives of my industry colleagues fascinating. I waited many years to be able to connect with people who can afford to go on holiday, buy homes, and have expensive hobbies like kitesurfing. As we grow in our careers, and we can finally afford to interact with 'successful' people, we should aim to integrate our private lives with our working lives. Having reached this stage of our careers, it doesn't make any sense to become insular, and scale back our outreach. Doing that will only mean finding ourselves left behind by the global village if we hold back from engaging online.

I have made many real-world friends, after initially connecting with people online. The distinction between a client and a friend is becoming blurry these days. If you honour your clients with quality service delivery, it's nice to also engage with them socially. Of course, there is a certain professional etiquette that should be maintained. We must always be respectable, and post positive, uplifting content. It is essential that the way you present yourself online feels natural and appropriate for you.

People Skills

Knowing how to interact with other people is a vital skillset, whether you're trying to attract like-minded colleagues, secure clients, sign deals, or get people to pay you on time. You should always make a point of treating your colleagues like equals. Their success is your success, and you need to be the kind of person people will always want to work with.

Always give the impression that you are a person worthy of being associated with. Dress neatly, speak respectfully, and focus on saying positive things about others. Show people that you're focused on their future and working towards long-term success together, rather than simply out to make a quick buck. Be generous when it comes to splitting the money with your colleagues. Remember, the people you want to work with aren't stupid. They'll notice when you're being greedy and not paying them fairly.

People skills are also an essential element in dealing with clients. Acquiring business means putting a massive effort into sales and outreach. Don't just be an order taker, but rather be someone who makes things happen. Get out there and be proactive. Always aim to be at the top of your clients' minds. If you get that right, the work will come in.

It's also important to be economical with your time. Cut to the chase, and learn to quickly sift through all the fluff. Don't waste your time satisfying a potential client's curiosity, when it's clear they're only going to back off when it comes time to buy and sign a deal. To avoid wasting your own time, put together a simple, easy-to-follow, up-front presentation of your process, which you can deliver at your first digital meeting. After the meeting, send them documents that spell out everything you've discussed, along with an engagement or proposal letter.

If you don't do this, you'll go around in circles, and waste a lot of energy on people who will never buy from you. If you sit in enough meetings, you'll soon realise

it's easy for a meeting to drift into small talk, without ever pinning down an agreement. If you leave the meeting open-ended, it will stay open-ended, and the client's interest will fizzle out. After all, if you truly know the client would benefit from using your service or buying your product, you know that they need it as soon as possible.

Clients who are just enquiring are fine, but it's not ideal to have ongoing conversations over meeting after meeting, trying to help the client decide what they need, before finding out that they don't actually intend to use your services at all. There is a knack to quickly figuring this out. You want to be as courteous as possible to clients, but you also need to survive as a business. After all, if you don't make any money, you will not be any use to anyone, as you'll be out of business. It is essential to firmly guide clients towards the product or service that is best for them, and hone your instincts for those occasions when we are only wasting our own time.

At the end of the day, the first imperative is that our business must survive and thrive. These soft skills are difficult to acquire, and demand constant attention, but it's crucial for any dynamic business to learn to enjoy interacting with colleagues and clients. If we're not up to this, and we are happy to remain in our secure job, this vital communication ability will be missing from our skillset. If the company we work for ever turns out to no longer be there to support us, we might find ourselves out of touch, unable to find alternative employment or, even worse, without a key skill to grow our own business.

Invoicing

You should aim to set up your invoicing system and payment terms efficiently and promptly. This way, you will be able to invoice immediately and get paid soon after. Learn quickly which clients will pay on time, and which will not. If you sense a client is likely to delay payment, walk away rather than indulging this kind of practice. Being brave enough to ensure your payment terms are in your favour takes courage.

Ideally, we all want big corporate clients, but they can be difficult to work with. The advantage of large clients is that they have a lot of work to offer, and they buy a lot of products. They are also generally willing to pay the proper rate for good quality. Generally, big clients know what they need, and if you can do it, they don't need a million meetings to decide on getting the work started. Unless you're selling software, that is. The decision-making process for software can be much longer.

The tricky part of pinning down favourable payment terms is that big corporate companies also have extensive contracts, and complicated in-house processes. They often prefer to dictate payment terms, which end up being unfavourable to you, the service or product provider. Strong people skills are vital when explaining why their suggested standard 30 days after invoice or 60 days is a deal-breaker for you. Your message has to be clear and simple: *We have to pay our suppliers and maintain good cashflow.*

We must always get our point across that paying our team members promptly is why we can give the client such a reasonable deal. It takes a lot of work and expertise to ensure that an invoice is correct and get paid on time. The client's finance department will not process your payment without terms agreed upfront. Finding out that you have documents missing that you failed to submit initially is not what you want to hear when getting paid. You should have found all that stuff out weeks earlier. It takes a lot of time to put together all the necessary documents, and for the finance team to process them.

To address these issues, it is crucial to ask clients what information they need on their invoices. Some clients are very particular, requiring unique codes and project identifications, if they are to file it correctly on their side. Often, you'll be faced with a situation where the finance person cannot pay you because they do not know which department has ordered the work. There have been occasions where the finance person refiles the invoice on their desk and forgets about it, because they don't know who to email to ask for further information or additional documents. It's much easier for them to just do nothing and pay nothing.

There are lots of issues that can delay and prevent you from getting paid on time. The best approach is to pre-empt them as much as possible, so that the payment process runs smoothly. It is also essential to have a good accounting software package that produces invoices and records them digitally.

Your aim should be to run a clean business where the bookkeeping is always kept up to date. There was a time in the past when a bookkeeper would journal everything, and balance your books so that everything sat where it should with invoices, payments and expenses. These days, your accounting software will put everything in the right place for you, so your accountant can collate what they need. You don't want to find yourself in a situation at year-end, with your whole system as

one big mess. In that nightmare situation, your accountant would end up needing to fix everything with a shoebox full of slips and invoices.

Most large organisations have a dedicated finance department that deals with invoicing and payments. However, as we move into a time when many people want to run their own business, sound invoicing and payments collection principles will remain important for the smooth running of your business.

There was a similar trend a few years ago, when everyone began to upskill their IT knowledge. Fifteen years ago, you might well have needed an IT person to come to your house and set up your Wi-Fi. Nowadays, we all handle this stuff ourselves, everything from buying the equipment to setting up our passwords and networks. Most of us have a good general sense of what is going on. If we need to set up an email address, we do it ourselves. If the printer needs ink, we do it ourselves. Similarly, I don't believe it's necessary to offload all your finance tasks to someone else, even if you run a small business. After all, you might not be lucky enough to find someone you can fully trust.

Chasing up late payments is an art. There is nothing wrong with asking your client why the invoice is outstanding. I would always suggest a polite approach. If you are polite, the person looking to make the payment will put you on the top of the priority pile. They will try their utmost to help you out. If you are not polite, you will move to the bottom of the priority queue. If you do not ask, expect your payments to be consistently late.

When dealing with a large firm, if certain payments are late, make it your mission for the day to hound the person who is responsible for making payments, and find out where the bottleneck is. On many occasions, you will discover that something went wrong down the line on their side, and they are still waiting for the relevant manager to sign off the payment. You need to switch on the charm and ask what is holding up the process. It will not be good enough to find out that they are 'working on it', because the situation will not get resolved until you get to the heart of the matter. 'Working on it' usually means they are waiting for a senior manager to return from holiday to approve the payment. They may not realise that this payment is already exceptionally, unacceptably late. They will often assume they have two weeks to sort it out, and will not want to bother the manager to ask about getting a sign-off.

The responsibility is yours to find out exactly what the delay is and call that manager. Message them. Email them. Send them a tweet. Hound them, even if they

are on holiday, and let them know that the payment is late because they have not signed it off. Often, they will not even be aware of this, and they will be able to take action by immediately giving it the 'okay'. This process is far from pleasant, but you have to do it to keep your own business running smoothly. If you get into the habit of letting these delays happen regularly, you will find yourself in a hole with poor cashflow.

A business can only survive if it is making money. Your goal in running a business is to send invoices out and get clients to pay you. There is no shame in this. Sure, you want to make people's lives better. You want to provide the highest quality goods and services. But if you are not sending out invoices, it means you are not taking on clients who actually want to buy what you are selling. Some people are embarrassed about asking for money. They feel they are doing something immoral or deceptive. Ripping people off is wrong, but earning a fair price for a fair product is what makes the world go round.

Recruitment

Bringing good people into your business requires two essential things: a compelling story of why the company exists, and the belief that those who join can feel proud of their work and their association with the organisation.

For a long time, I felt a certain conflict within me. I longed to work for a big prestigious company, with all the associated perks: beautiful buildings, wide open spaces, comfortable furniture, and well-designed facilities. But at the same time, I recognised that it would be a restrictive, limiting milieu. In an open-plan office, everyone within fifteen yards can hear everything you say on the phone. Commuting to the office means dealing with traffic twice a day, and extended travel times, making centralised offices less appealing.

When bringing people into a business, it's a big challenge to recruit the most talented, in-demand people. Many hiring managers believe they are an employer of choice and that people are eager to work there. Sometimes, not always, if you offer someone the right amount of money, it will overcome any such preferences.

But if the incentives are purely financial in an employer-employee relationship, this can lead to employees who don't really care about the growth of the business. They are usually just collecting their salaries, and will eventually leave the company, looking for better pay or perks. There's no sense of collective ownership, because the

basis upon which the person joined the business in the first place was not as a partner or an equal. There are exceptions and I have seen some businesses who have created a phenomenal culture where people feel like family. However, it isn't easy to set up an environment where the person can truly feel like a partner. Traditional models allow for such a progression, but typically it is a long, arduous process to reach partner level. Fundamentally, when companies look to bring people into the business, they do so with an employer-employee arrangement.

My approach to bringing good people into the business starts with making it clear that our colleagues are the company's lifeblood. Under our model, we pay our team members more than we remunerate ourselves. If we earn a specific fee for a particular project, most of it goes straight to the team. This remuneration model creates a culture which it would be extremely difficult for any competitor to match. The result is that we have a team comprised of loyal, motivated participants, in a business put together as a collaborative.

Our relationships are those of partners, not just employer and employee. A partnership should always last significantly longer than people bouncing around from one company to the next. Our goal is to build our business alongside the professionals who join us, so we know that if they do well, we will be able to ride on the coattails of their success. By creating this environment, we should be able to attract a better class of person, who feels that building something for the sake of all involved makes a lot of sense.

The secret sauce to creating such a business is having an active network of people ready to join in. This is crucial, because the consortium model lends itself to scale, and if you can't follow through on the scale, it's not so easy for the business to expand. Recruitment is a difficult task. Where will you find the people? How will you approach them? How will you be able to quickly get the message across to them quickly that your business offers a unique environment?

I was lucky because I'd spent the ten years before opening Virtual Actuary working as a recruiter. That experience in recruitment significantly complemented the business's growth ambitions. When Virtual Actuary first started, I found making phone calls to discuss this new business idea felt fresh and exciting. I had spent so many years calling actuaries about mundane job opportunities. But this time, I really had something exciting to offer, that was not available anywhere else. But I truly needed to be able to back up my statement of why this idea was genuinely different. With such

a compelling consulting business model, I felt that any actuary would be bound to choose us over any other option, as long as I had work available to keep them engaged. So it was paramount that I stick to my end of the bargain, by bringing in enough work for everyone.

When I started the business, I needed to explain to potential clients what we were hoping to achieve, but I couldn't really do this before bringing quality people into the business. So I was in a tricky position. I need to create the story, bring in good people, and then start persuading clients that we would be able to deliver quality results if they gave us work. I spent six months working full time, bringing in fifteen actuaries who were willing to go on this crazy adventure. Once we had that core team, we launched the website, with all the contracts and documents in place, so we were ready to approach clients. It took four months of discussions with the decision-makers before we eventually brought in our first client. But it was important to ensure that the story and the vision made sense.

The model for success is creating the right environment for your people, an environment that will allow them to:

- Work more efficiently
- Spend more time with their families
- Earn more money
- Be incentivized to become dynamic
- Feel like they are partners and not employees

What we have created is a new-age business that uses technology to engage with our clients more digitally, as well as working collaboratively with one another. This is an excellent model for anyone looking to build a fantastic, 21st century company. Our structure is also a peer review scaling model, which allows the actuaries to rise to become more senior, take on a more extensive portfolio of clients, and have more junior colleagues working beneath them. This collaborative model empowers the actuaries to earn more by apportioning a part of the client fee to their colleagues, freeing themselves to take on more work. I see this as an engaging solution for personal and career growth.

Even though the global pandemic has forced many people to carry out more of their work in a digital space, the stage of immersion we are currently at is only a small taste of where we're aiming to go as a business. And the advantage that we have

today is that it is tricky for our traditional competitors to match our offering – a conventional company previously known as a Giant in the industry, today, would find it enormously difficult to transform its model from that of the fundamental employer-employee dynamic.

I believe that people want to work with others that they perceive as successful. That's why our business's performance is a story worth sharing. If your company is well respected internationally, it's important to let the industry know you have achieved these results. A business needs to be bold, confident, and celebrate its achievements. When you've spent many years building a global network of friends and colleagues, this is extremely helpful when looking to attract good people who want to work in a company with international reach.

I often wonder how somebody who has spent twenty years at one firm, having basically done zero networking, will fare if they suddenly find themselves looking to start something new. My feeling is that those people will probably be satisfied with being highly paid executive employees for the rest of their lives. I'm not saying it's the wrong approach. But I've seen all the different sides of this industry, so I know that if those executives had the confidence to break away and start consulting independently, they would be highly sought after, and well remunerated. I've talked to a lot of professional actuaries who prefer to work independently, and I can understand the appeal of running their desks without the ambition to scale.

What our business offers is an ongoing income, as long as you can build up a portfolio of clients who trust that you will deliver. We are still in the early days of our business, but I can see that we are heading in the right direction. Our revenue-sharing model is in place, and those actuaries who are effective in the market are already earning double or triple what their peers in the industry are making.

One of the joys of working with top-level professionals is that we have long, fascinating conversations about how the business works. As an entrepreneur, you need to be willing to take the time to have those conversations. As we grow, and our business model becomes more widely understood, it will be easier to convey our story about the unique way in which we operate. That is how all businesses grow. We aim to have a company with various products, so we will need to see in which direction our growth is strongest. It is not easy to predict which product will be the most successful, and therefore where we'll focus most of our efforts over the next ten years.

Disruption

The key to becoming an industry disruptor is to first understand your competitors' weaknesses. If you can offer an improved product or service by eliminating these weaknesses, you already have something potentially disruptive.

A disruptor should avoid trying to emulate the competition. Try not to focus on your rivals. Instead, think about doing the opposite to them. You have to focus on what you're doing, and how to do it to the highest possible standards. Remember that being disruptive is about the effect you have on your competitors, not the industry. Your aim in relation to the industry should simply be to serve it as best you can. The disruption affects your competitors, when they find that they can no longer convince clients to buy from them.

To be an effective disruptor, you can't be satisfied with the idea that there's plenty of work to go around. Your offer needs to be so good that you deserve the whole pie. If your idea doesn't generate that feeling in you, you're not a disruptor; you're just another company in a sea of companies.

You have to have the right mindset, to realign your colleagues, and get away from the business-as-usual complacency. You have to be brave enough to tackle internal, old-school approaches and receive wisdom, and instil a belief that you will collectively find a way when you hit a stumbling block. Your competitors haven't succeeded in disrupting the market, because they've become complacent, and they have opted to take the easy way out by doing things the old-fashioned way.

I am often surprised by how other people view their competition. They often seem to feel it is ok that the other players in the market are doing well. I'm all about taking over as much of the industry as possible. The salesman in me says that the client already wants to buy. If they don't buy from you, they will buy from someone else.

To be creative and come up with practical ideas of which direction to take your business, you only need to ask yourself one question: *Why will our client value our product higher than our competitor's?* If you have an answer to that question, put it into action, then ask yourself the same question again. If you go through this process repeatedly, you will come up with ten reasons why the market is choosing you instead of the competition.

The problem most start-ups face is that they ask themselves this question repeatedly before they have any paying clients. They end up with an overly engineered

product, which is entirely at odds with the 'minimal viable product' strategy. This approach leads to complicated products, with lots of bells and whistles, that are inevitably difficult for the client to understand or adopt. Either they will fail to buy at all, or they will only use some of the functions, because the product is too complicated. You don't need to be amazing straight out of the starting blocks. As long as you continue to iteratively improve the product, your competitors will be unable to catch you!

Technology

With today's technology, your starting point as an entrepreneur is twenty times better than that of your competitors ten years ago. Today, you are in a position to compete with the biggest, most established companies, because their structural advantage has disappeared. Giants of the past.

There was a time when, if you were a partner at a consultancy, you would have had a Rolodex. Your competitive advantage as a professional, and your most effective selling point, was your network. Today, anybody can go online and find out who the key clients and contacts are. It literally takes just a few minutes on LinkedIn and Google.

Similarly, there are now so many ways to interact with your clients. Consider, for example, how simple it is today to get a local Skype number, and then link it to your phone. Even if you leave the country, no matter where you are in the world, as long as you have a connection to the Internet, anyone can phone that number, and you'll be able to take that call on your mobile phone.

You need to be aware of all the tools that you now have at your disposal. Let's take it down to a granular level and spell out what today's entrepreneur has to work with in detail, and how it is far superior to what was available before. We'll start with the phone. The price of calls is so cheap that you should be on your phone, pursuing new leads, every single day. Smartphones make it easy for people to get hold of you, and you can get all your emails and messages on your phone. Your mobile phone is a tool and a secret weapon that the most powerful businesspeople in the past could never even have dreamed of. It will inevitably be a central part of how you run your business, as it is absolutely the most powerful business tool ever created.

Now, if you think of your phone as something intrusive, and a burden to your quest for inner peace, you will no doubt hate the idea of lying in bed, networking with

people in your industry overseas. But this mindset could prove to be a crippling career strategy. The truth is that the modern phone has eliminated almost every excuse for the challenges of finding work.

Obviously, the other key piece of technology is your computer. As I've outlined in detail, your goal has to be to become a self-sufficient, well-rounded entrepreneur, and not need a secretary, filing cabinet, or printer. Just the other day, I was sitting in a video meeting, and there was a moment when someone asked me who else was in my team. I was immediately able to share my screen and show everyone in the conversation the extent of my team. My fellow attendees at that meeting were effectively the judges in a business competition that I was competing to win, and their first reaction was, "Wow, you are the first person to share their screen."

I was then able to show them our business figures in real time. In the past, I would have had to get hold of the company accountant, and ask her to spend a day or two compiling a report. When I was a child, one of my favourite shows was a wacky cartoon called *Inspector Gadget*. Today's entrepreneur can pull out business gadgets from their jacket as thrillingly as Inspector Gadget ever did, with all the crazy devices he used to save himself from perilous situations.

The entrepreneur of today is way more productive than their equivalent of just fifteen years ago. I recently read an article about how working remotely is not as good for you as meeting people in person. I'm afraid I have to disagree with this argument. The author of the article was someone whose company has invested in a shared office space business, so they had a clear bias towards encouraging people to go back to the office. The idea that a cubicle is somehow a more productive space than a well set-up home office, makes no sense. Digitisation is here to stay, and the sooner we embrace better ways of doing things, the faster we will all achieve our goals.

The Internet is made up of free information. We should never take this for granted. Think about how you are presenting your personal brand online, and how you use the online space for interacting. When searching online, research notable people in your industry? What can you learn from their experience and success? Which other products or services exist in your market space? What can you learn from them?

I often see people working from home who have still not set up their office backdrop to display a professional working environment. It is a simple matter to make your background look professional, so I'm surprised that so many people still don't get it right.

Because I work with really amazing people, I will often use little things like emojis to share a moment with a colleague. If you underestimate the connection you can form by inserting just the right emoji into a conversation, you are truly not understanding how culture in the workplace has changed. At Virtual Actuary, we have created a work environment where we are building the future of work in our industry. We use the tools available to create sparks of energy that invigorate and inspire us. Our goal is to have everybody who works with us tell their friends, “Wow, we have a fantastic group of people who work at our company. I’ve never worked in such a great environment. And I’ve worked in a lot of places.”

You only have to look at the biggest new social media sites to understand that these emojis, video filters, and so on are popular because they are fun, useful tools. I know some people still think that using things like emojis or filters in a work environment is childish or unprofessional. But I couldn’t disagree more. We find that injecting an element of fun can be very helpful in what is generally quite a serious environment.

There are so many tools we can use nowadays to make us more productive. I think most companies believe people are unable to change and adapt, which is why adoption of these tools in bigger corporations is so slow. It is a top-down approach. In most big companies, those at board level are often older people. I suspect many of them are not comfortable using modern, new-age tools. They might pay a lot of money to have a new system in place, but you cannot replace the feeling of encouragement a team member gets when their CEO sends them a surfing emoji.

Launching your Product

Launching a product is not all about hosting a big splashy PR event, despite what some people may try to tell you. A successful launch can be small and gradual, revealed to as many people as possible over a period of six months to a year. The first job is to get a few paying customers, then you can look to fast-track your sales.

Many entrepreneurs seem to hide from their clients and are afraid to communicate with them. It’s very important to be brave, talk to your clients, and ask them questions. Ask them if they like the product, and whether they have suggestions for improvements. Endless focus groups are not the goal. Get an actual real client to start using your product, and ask them for suggested improvements.

When launching a product or a business, you need to generate some hype, and get some unpaid publicity. Ask yourself: what is your story, and what is it that makes it a good story? What is your vision, and what are you trying to create? How will hearing about what you are doing improve people's lives? Your story often won't actually be about what you do, but rather about what you represent and stand for. Understanding what sets your product apart, and why you believe it is central to the future of your industry, will probably be the most exciting part of your story.

To promote your business, you are going to need to make a lot of phone calls. This is not easy, and many people will talk themselves out of doing this unpleasant job, but if you're going to be your own PR agency, there's no alternative. Get the editors of your key publications on the phone. They might not want to talk to you, but you have to be persistent. Tell them what your business stands for, and persuade them that it's newsworthy.

If you can create a narrative about why you and your business are newsworthy, it will resonate much more with people. They will appreciate the journey you are on. The purpose has never been to be just another company selling the same product. The goal for any entrepreneur is always to create a better customer experience. It all comes back to the paradigm of why you are better. How are you changing lives? Why is what you are doing going to have such a positive impact on people's lives?

As business people, we are not specifically in the philanthropy industry, but if what we do positively affects society, this is an example of a newsworthy angle. Thomas Edison may have grown rich thanks to the electric light, but he also made the world a much safer place. Editors are looking for exciting stories. They want to be the ones discovering fascinating narratives that will keep their followers engaged. The more attention they can generate for their publication or event, the more they will be empowered to increase their revenue streams, so reaching out to the media is key to a mutually beneficial arrangement.

Approaching the media is quite simple. All you have to do is identify the publication you want to be featured in, contact their editor or head of events, get them on the phone, and briefly explain why you feel your story is worth sharing. In practice, of course, it is not easy. People dislike using the phone these days, and they especially dislike cold calling. Even so, in business, you need to pick up the phone.

Of course, many people nowadays feel that an email is a preferable approach, but I'm afraid I disagree. Email spam has been around for a long time, and the last

thing I want is to receive is another email from someone trying to do business with me. (Of course, it's quite a different matter if the email is from a client, or someone working at one of our clients, looking to contact me for the first time.)

The key to your PR strategy should be to create a story, a positive narrative explaining how the things you're doing will improve society. Then frame this narrative as the primary reason why you're doing what you're doing. Reach out to thought and community leaders who run publications or events. Get those leaders to agree to tell your story, or invite you to speak at their event, to explain how your business is changing lives.

Once a story or article has been published, you can then take those stories and make them available to your online networks. Of course, you have to be in constant, regular contact with this network. When people find your content newsworthy and exciting, they will read it and start to engage. You are then empowered to position yourself and your business as someone of interest in your industry.

This approach will generate more interest within your network, because now you are not just a service provider that they are interested in buying from, but they also like the way your story resonates with them. Through this approach, you can continue to build your client base, leading to more newsworthy stories and speaking arrangements, to expand your story about how you have created an impactful business.

Meanwhile, most of our competitors will be doing the opposite: paying for one-page adverts in magazines, banner ads, and sponsoring conferences. Those companies lucky enough to have a big marketing budget can pay for this exposure. But to be considered truly newsworthy is an exclusive club, and it's far more effective to earn your membership.

Apple are a great example of this. Their story was that they were creating products with a distinctive look and feel, that would also have the functionality to change people's lives. What an amazing story! Apple's competitors never tried to position themselves this way. Their monthly meetings were about how they could sell more products than last season. They didn't delve deep enough, and didn't seek to become the future of their industry. I believe that once the market understands that you have followed through with what you have been saying all along, your business will have the exponential growth you seek.

Represent Yourself

It's important to represent yourself and your business, because you want to be able to personally tell the story of what you stand for. People love a good story, and if your experience aligns itself with a topic they find interesting, then you are in a position to tell a great story in an exhilarating way.

Sitting behind your desk, and not telling anyone about your business venture, is not a winning strategy. Even the most introverted people will need to lean on their network somewhere down the line. Learn to enjoy being the face of your company. You might think this is the sort of thing you could outsource, but you'll never get the full effect if you hire a salesperson and simply delegate the whole thing to them. Think of this challenge like the time in your life when you had to take driving lessons. If you hadn't learned to drive yourself, you would always be relying on other people to help you get around. But you got over that initial discomfort, and you've reaped the benefits ever since.

Representing yourself is much more than just a job. It means you take ownership of the success or failure of the company. The days of hiding behind the corporate marketing department need to end, if you're to become the person you wish you could be. Most ambitious business people feel that they are above average in their drive to succeed. But being top of the class, or gifted, is no definition of success. Being able to represent yourself is a valuable skill.

We are often asked to summarise what our business does to achieve such impressive results. When faced with this kind of question, you need to have your answer ready. Imagine if you were to find yourself in an elevator with the number one investor in your industry, or you were invited at the last minute to deliver a speech to 2,500 of your peers, with only a few minutes to prepare. You need to be ready to capitalise on these magic, spontaneous opportunities. I am proud to talk about how I spend my days, and I am keen and ready to share my story at any moment.

It is important to take pride in your work. When you take your product to market initially, never tell the client that you're 'testing the market' to see how well the product resonates with them. Nobody wants their business to be the guinea pig. You must always describe your product with the highest possible level of enthusiasm. Tell them it's the most fantastic product or service they will ever buy. Tell them it's tried and tested, with plenty of experience and years of development behind it. And you should believe it too because, if you're uncertain, it will come across in your communication.

Ensure you know precisely who your paying client is. If you're spending your time on anybody other than the decision-makers, that's not ideal. You may generate a lot of interest, but that interest won't translate to paying customers. You have to know who you had in mind when creating the product or service. Spending your day just having conversations with people about your product will be exhausting and meaningless unless it translates into meaningful growth for the business. Working out who is driving the decision to buy your product within your potential client's organisation is where those who have experience excel, and those who don't fail.

You should always feel like you're doing your clients a favour by telling them about your product or service. If you feel like you're wasting their time, they'll pick up on that, and then they'll wonder why you're happy to waste their time, and what that indicates about the thing you're trying to sell.

The important point to drive home with your potential clients is how your offering is better for them than any of the alternatives currently on the market. Identifying the right person to speak to, and convincing them of your product's benefits, is a systematic approach for ensuring that people in your industry are constantly aware of your business. When they need that service or product, they are bound to consider getting it from you. We always aim to be the provider of choice, and this informs the quality of product, ease of use, after-sales service, and how interacting with the brand makes people feel.

The Numbers Game

The 'numbers game' is a term describing how many misses you need to go through before getting a positive hit – i.e. a sale. The bad news is that, whatever you think the number is for how many prospects you need to talk to, to get your first 5-10 clients, you will need to increase that number by at least 200. Acquiring clients is a numbers game, and even if you do everything correctly, you will still need to put in an awful lot of work. Some people get lucky, and they brag about how their company just took off. But for most of us, this is not the case. Sometimes I look back, and I'm not sure whether to feel encouraged or sick at the amount of effort I have put into getting to this point. But what my journey conclusively demonstrates is that it takes a tremendous amount of effort to build a business.

Some people take a systematic approach, collating statistics and drawing up graphs of their pitching, so they can closely monitor what is happening. But I believe

the flat-out everyday system is better. When you are working flat-out, who has time for extra admin? My advice is to stop procrastinating, pick up the phone, and try to contact another ten people before the day is up. I have heard it said that most companies these days have too many MBAs trying to work out how to be more efficient. My approach has always been to roll up my sleeves and get stuff done. Sometimes simply getting on with it is the true definition of working smart. If you manage to connect with ten quality people per day, you've had a productive week.

The numbers game never ends, especially if you are looking to expand into a global business. There are so many angles through which to contact people in your industry, across various platforms. Take LinkedIn as an example: some of your connections are potential future clients. Some are thought leaders with whom you might engage with on various topics. Another might send you an invitation one day to participate as a thought leader at an industry event.

Viewing everybody in the industry as an excellent person to know can have a ripple effect that positively impacts the business. In our case at Virtual Actuary, some of our connections are actuaries who are looking to join our company. We also have a growth strategy that involves scaling up, which will require venture or growth capital. These relationships have been nurtured over many years, and the strength of our networks means that if we need to recruit in the future, or seek investment, we will be in a stronger, more informed position.

At Virtual Actuary, we've developed a comprehensive global network over the past few years. It's important for us to interact with as many actuaries as possible, so we can continue to develop the core team that will form the foundation of our consortium in the future. These actuaries will grow into strategic positions as we aim to tackle some of the more complex issues on which our clients expect us to deliver. Reliability is built up over time, and the only way to do this is to have a wider field of actuaries working with us to work out who is best suited for those strategic positions.

You may already be familiar with a popular concept known as the 'ten-thousand-hour rule'. The principle is that you supposedly become a master of your subject once you've practised it for ten thousand hours. In growing a business, it is precisely the same. To develop a quality business, you need to have at least ten thousand conversations. Some of those conversations involve bringing actuaries into the business. Some are with lawyers to work out the legal paperwork and structure. Many conversations are actual engagements with clients and team meetings. The

numbers game of growing a business takes years. I believe in the five years since we opened our doors, we have made enormous progress when compared with our competitors. This progress is a direct result of the numbers game mindset. If your aim is to build, or to continue expanding a successful business, the principle of chasing higher numbers is the right one.

Messaging

Your message to the industry needs to stand out and be memorable. If you don't get positive-sounding responses to your message, like "That sounds really good!" you haven't got the right message yet. Tweak the message, and continue to refine it. Generating outstanding feedback is about offering a significant improvement from what was previously available. It takes time to work out what makes you unique, but it will be a very strong talking point to tell the world once you get it right, and it won't be easy for anyone else to copy.

The core of your message should embody why clients should buy from you. Being a skilful storyteller takes practice, and requires a delicate balance between weighing up the seniority of the person you are speaking to, and the setting in which you're telling your story. It is vital to constantly keep in mind how this person would benefit from hearing what you have to say. Online, the tone and nuance of what is suitable to post on Facebook is quite different from what works on LinkedIn or Instagram. A WhatsApp message also has a different vibe from an SMS.

Each medium carries its own level of formality or informality. It is essential to get it right and match the message to the medium. Sometimes your message is purely to give something back to others. I occasionally record entrepreneur podcasts to encourage up-and-coming businesspeople to think more smartly. As a by-product of this, I can publish this content, which indirectly leads to our business being at the top of our clients' minds. So you don't always need to be selling, per se. If done with the right finesse, you can subtly include a promotional message without overt salesmanship. It can be something as simple as subtly mentioning at the end of a podcast that, as you're the largest distributor of a certain product in the region, you spend a lot of your time sealing boxes. This discreet mention might give someone the final push from considering using your service to realising that you are the most significant player in the market, so they should immediately call you about something they need doing.

Clients like to buy from interesting suppliers. Can you imagine if all we heard about Google was that they are a great search engine? It is important not only to find new things to talk about to the market, but you also need to innovate and actually create new offerings to take to the market. This doesn't mean losing focus on your core product. You need to simultaneously understand what your core item or service is, but also talk about how, as a business, you're adapting to the current climate, and ensuring that any customer who buys from you is putting themselves in a better position to enjoy the future.

It can be a good strategy to tell the world about your vision for the future of your business, as this will force you to try and execute it. This is a very different approach from saying less and delivering more. Instead, it is about creating a powerful narrative that will see you blossom, forcing you to become dissatisfied if you are not making that vision a reality. Imagine how you will feel when you realise you have been talking about a product improvement for two years, but it hasn't happened yet. You will cancel your holiday, and do everything to ensure it is done at the earliest opportunity. But if you hadn't talked about this goal publicly, you might not be quite so motivated to bend over backwards and make it happen. On the other hand, if you were to still fail to deliver, there would be the risk of losing credibility, and becoming known as a big talker, which is much worse.

Tweaking your messaging means nudging some things in one direction, and some in another direction, and then finding what works for you. As time goes on, you will learn these lessons, and work out the formula and industry message that best works for you. Once the business is well-established, with clients understanding your brand and service, your message should become more solidly established.

Credibility

Credibility in business means that your clients feel secure, your service is always prompt, and you always deliver. You want them to feel like they can rely on you the way they would a trusted friend. In the world of business, where money is changing hands, credibility is the reason people will choose to buy from you, rather than your competitors.

You'll know you're credible when your customer feedback shows you have something to offer that nobody can match. If you prove that you are credible, it could be because your extensive experience and unique insight have earned you this right.

Perhaps you've applied technology in some new and empowering way, giving you a clear competitive edge. This is a popular strategy at the moment.

Companies of all sizes understand the vital importance of appearing credible and reliable. Once a business has a credible reputation, anyone interacting or buying from that company will trust that the experience will be positive and beneficial. People aim to have a positive and healthy experience with the companies they patronise. Big companies often boast of how they have been market leaders for many years. This repetitive messaging ensures people know that should they purchase this new product or service, they will be doing so from a reliable company that has consistently delivered on its promise.

A start-up must establish credibility as fast as possible if it is to succeed. One option is to base this on the experience and profile of the founders, and what they have achieved in the past. This bullseye credibility strategy gives potential clients a snapshot of what they're getting with the new business. Another strategy would be to focus on the make-up of the management team. This announcement involves the credibility of each person's history and what they have achieved in various other businesses. It is essential because clients and investors will want to know that they are dealing with trustworthy people.

One approach to building credibility is to become an industry thought leader. One might achieve this through writing articles, speaking at industry conferences, publishing in the industry media, or appearing on various television programs discussing a particular topic as an industry expert.

The process of building credibility can take a long time. As your business grows, you will enter new markets, and in each case, you will need to lean on the credibility you have established. Think about how the biggest banks in your region are completely unknown in other countries. The biggest clothing brands need to almost start from scratch in telling their story of who they are, when they move into a new market. Depending on your ambitions, developing your credibility never ends. We cannot look at companies like Facebook or Google as a yardstick. They operate in a different sphere. Of course, we should aim high, but it only makes sense to consider examples of companies who have grown organically to appreciate the effort level involved in building credibility. If you get lucky and something you make goes viral, that can be very useful. But the usual strategy is to engage with conference organisers, magazine editors, and podcast hosts to continue telling your story. Give the news

publications reasons to want to publish your newsworthy story. Establishing credibility is crucial if you are to grow into a large business.

Dealing with Criticism

Criticism is inevitable. Even if you do everything right, you will face criticism at some point, so it's important to be able to handle criticism like a veteran. When someone criticises you, remember that that is simply their opinion. You can't please everyone. If they truly knew how to do your job better than you, they'd be doing it themselves.

If I were to take on all the suggestions thrown at me over the years, there would be two results. Firstly, I would be a nervous wreck. Secondly, my business would be no more than a composite of other people's ideas about how they see the world. I try not to be a follower, and as such, I try to create the right environment around me. If something feels right, I try to make it happen. Successful people often say they avoid reading reviews, criticism and online comments, because engaging with that kind of negativity is not healthy, and I tend to agree.

Criticism, after all, is nothing more than other people's fears projected onto us. It is natural to be affected by criticism, but you really have two options. You can let the criticism fester and influence you, or just bounce it off. When I hear criticism, I try to consider whether it contains something useful or constructive. I make a quick judgment about whether something is worth internalising. I don't automatically reject all criticism, but it's important to be able to think on my feet, and quickly decide whether an idea is worth considering.

Dealing with criticism is different from absorbing criticism. Absorbing means allowing it to slow you down. Dealing with it means becoming immune to its negative effects, by learning mechanisms for how to deflect it correctly. People often absorb criticism, and they allow it to limit their progress. An entrepreneur has a great idea. They were ready to take it to the next level. But after listening to a few critical people, they decided not to go for it. While you are in your growth phase, you will inevitably have people telling you how to do things differently. If someone has genuinely been in a similar situation, their lessons could be welcome. But often the advice you receive will be conflicting, or not appropriate for your goals.

Even an influential person in our lives can sometimes give us questionable advice. A few years ago, I was going through tough times with my old business, and I

found myself reaching out to people I looked up to, successful people whom I trusted to give me sound advice. I was very humble and open to suggestions, and I had lost much of my confidence. I went to my friend, and his advice was that I should take out a loan, and open a laundry business using coin-operated washing machines. He believed that, by not having the expense of staff, I would be able to service the machines myself, and create an annuity-type passive income.

I walked away from that meeting feeling confused. I was grateful for the advice, but was I really prepared to dig myself into an even deeper hole financially, by trying to get a loan for the machines and the rent? I trusted my friend, who is a very successful person, so who was I to question their advice? But I decided the advice didn't make sense to me, and so I pushed on, to try to figure something else out. I soon came up with the idea for Virtual Actuary, and in hindsight, it was a good thing I didn't listen to that friend. It's important to follow your own path, because no one else can tell you what you ought to be doing.

Training yourself to deal with criticism is an ongoing battle. You have to evaluate very quickly whether the unsolicited advice is worth considering and if it is, give it due consideration. But if it isn't, just let it bounce off you. This skill will develop over time, and you will achieve more by not being afraid to do things.

The Lean Mindset

Adopting a lean mindset means constantly evaluating what is critical to your business. The key question to ask is: Does this serve my client? As far as possible, you should minimise commitments such as rent and salaries. Once established, these are difficult expenses to get off your books, so you should only be adding them to your business when there are no other options available.

It is crucial to show restraint as your business starts to expand. As your business grows, it can be tempting to create full-time departments for areas like information technology, accounting and marketing. But it's very easy these days to outsource these functions effectively. Being lean also means being able to adapt. It's often about weathering storms by being able to scale down when you need to, and scaling back up once the storm has passed. If you structure your business practices to allow this flexibility, you'll be glad you remained lean when the tough times come around, as they inevitably will.

I am regularly presented with possible ways to 'become more efficient', which all involve spending more money. While the argument often makes sense, if a true accounting were done at the end of the year, you would usually find that the new innovation was adopted but hardly used. This often happens in big companies, where carrying out a proper accounting would compromise somebody's status in the group. This true account is thus avoided, but almost certainly discussed behind the scenes. In a small business, one does not have the luxury of wasting money, energy or direction.

Working out what is critical to your business is an ongoing, evolving list of priorities. In the room where I have my office set up at home, what is vital is my ability to work. As such, I have invested in my ability to work, as this is critical to the business's overall success. I have a supply of excellent coffee, and top-notch computer equipment. I have a complete solar power system to produce electricity, where I live the power supply is unreliable. The solar panels might sound like a step too far, but this was a genuine business investment as a priority, and since we installed the system, there has been a rolling blackout where I live. While the power companies sort out their issues, we continue to work at 100% capacity. I often wonder whether our competitors are managing to keep the lights on. I know that one company relied on the electricity generator in the basement of their office building to solve this problem, but with COVID-19 forcing people to work from home, they may be unprepared for how critical this electricity issue will be for their business's success. Or whichever lockdown comes next.

We felt it was important not to bring in a prominent investor too early. Our strategy was to bring in enough work to generate profits, to pay for the development of our Insurtech system. Keeping that equity sacred put us in a powerful position to leverage it later as and when needed. This strategy makes it possible for us to scale up in the most efficient manner. If we manage this effectively, it will allow our vision to be realised without someone else taking over and directing our strategy.

In the Fourth Industrial Revolution, the most important thing you need is creativity in how you engage with your audience. This is the only way, as a start-up business, to compete with larger, more established companies. By being forced to work out what is critical, you can often tap into the creative energy required to change how the industry interacts with its market. The market will appreciate the newer approach and will naturally gravitate toward it.

Focusing on what is critical extends further than just getting products to clients. It also incorporates building internal appreciation for your colleagues within the organisation. As a business, we believe it is critical to create an environment where people within the organisation can flourish. This can be achieved by creating an environment where they feel part of something meaningful and accommodating. Their happiness is the secret to their productivity. Some well-established firms of the past crumbled because their best people felt unappreciated and left. As successful as those businesses may have been, they could have achieved so much more if they had prioritised employee satisfaction over profit margins or fancy offices. A culture of productivity is crucial to a business's success. In our lifestyle business, you spend your day with your colleagues sharing creative ideas and thoughts. Delivering quality work is embedded in the culture, because our colleagues are incentivised to be productive.

Work/Life Balance

When you are chasing a dream, the truth is that there is no such thing as a work/life balance. Everything has to be about the work. It may sound brutal, but there's no way around it. If not seeing your family is causing a problem with your work, that's your motivation to work from home. You focus on your health by eating right, getting enough sleep, and exercising, not because being healthy is an inherently good thing, but rather because good health is what it takes to achieve peak performance in your business.

I have been in the running for a number of business awards, and as part of the process, the organisers often ask about work/life balance. One year, I answered that I didn't have a work/life balance, because I was so focused on work. I didn't win the award that year! The next year, I told them I was cool, calm, and collected, because I spent lots of time with my family. I didn't win that year either! It seems that even the judges didn't know which answer they liked best. The truth is that trying to survive and make enough money to have a comfortable life can be lonely, when you spend every available hour working. But I feel content that many other entrepreneurs are working overtime just like me, rather than sitting on the couch watching TV.

If you want to be productive, you need to use your evenings effectively. After the main work of the day is done, I will spend time writing articles, or connecting with industry professionals online. Working on technically-worded legal documents should also be done in your spare time. These form the basis of contracts with clients and

suppliers, and going through them with a fine-tooth comb during the day can eat up valuable time. Perfecting the company profile and design is also a luxury time exercise, not a priority for the daytime. Now that our business has grown, and met certain milestones, I have slowed down a little, but I still often work on evenings and weekends.

People talk a lot about the risk of burnout. My solution for avoiding burnout is to exercise every day. You may find that choosing some kind of exciting hobby may also be helpful. Many people stick to a routine of work, come home, sit on the couch eating dinner, then barbeque with friends at the weekend. But if you live like this for months on end, you will feel burnt out. And going for an occasional walk or running around the block is not enough of an escape.

In your free time, you need to do something so exciting that you feel like you've been away to another world. By enjoying a total escape, you break the repetition of work, which can seem endless. The solution to burnout is healthy escapism, not unhealthy escapism like getting drunk with friends. Unhealthy escapism is not a break at all, because you then need to recover after the event. If you're hungover, you are not alleviating stress, you're just making it worse.

Our mobile devices make it easier to work for longer, and make us more efficient. I don't object at all if a colleague contacts me out of office hours. I don't always respond immediately, but I make a note to do so the next day. Some people feel that personal and business lines get crossed in this way, and disapprove of this. In my view, they are swimming against the tide.

You may notice successful people in your industry seem to be endlessly posting online. Perhaps they are always interviewing everyone in the industry, and always have fascinating products to review. Do you say to yourself, *Wow, this lady is on fire! When does she rest?* Even when she posts photos at art galleries, somehow she always relates it back to the business. As you follow her journey, you see her business expand and develop. Why did she succeed where others failed? Clearly, it was because her work ethic was stronger. She was willing to drink that coffee at 7 o'clock at night, forcing herself to spend another two hours back at her desk. Did she always enjoy it? Of course not. But did it get easier over time, as she was able to draw on the success she'd built? Absolutely.

I was never a good student during my university years, which is why I chose to leave at the end of my first year. But I always had faith that I would succeed in the

work environment, and that money would eventually come. Initially, it seemed that I was wrong. I worked hard, but I still found myself going from one job to another, with no real success. This was in my twenties.

Throughout my thirties my work ethic remained very high and by the time I turned forty, things started to come together nicely. I do not know how to turn off the work effort level, whilst still getting the results needed to succeed. I have unfortunately found the opposite to be true – The more I work, the more successful I become. I try to balance this out by recharging in the best way I know how. Today's technology empowers all of us to stand a better chance of success, if we work better, smarter and truly believe in ourselves.