REVOLUTION ANALYTICS = ACTUARIAL EYE (Part 1)

"Perhaps the most important cultural trend today: The explosion of data about every aspect of our world and the rise of applied math gurus who know how to use it." – Chris Anderson, editor-in-chief of Wired.

"There is a real appetite in the business to understand more and to think about how we assemble and use data, also making sure we have the right people to ask the right questions of the data – because one without the other is not helpful." - Wendy Thorpe, AMP

Why Analytics?

Organizations are built on great decisions and great decisions are built on great predictions. So what are great predictions built on? The answer is **ANALYTICS!!!** So in case you are wondering what this could possibly mean for you as a prospective actuary, the answer depends on what kind of actuary you want to be. Let me quote Duncan West here:

- If you are in a leadership role in your organization, get data onto the strategic agenda. Many companies talk about the importance of data but talk is not cheap. Do they manage themselves in ways that demonstrates the importance?
- Actuaries in any role need to go away from a regulatory and compliance mindset that accuracy is the most important way to measure success. They should measure success by helping the business to make good decisions.
- And actuaries at all levels need to help develop the skills necessary to show insights to the business. Insights are useless if the business can't understand them. So communicating insight is a key part of an actuarial role.

What is Analytics?

So in essence some things come to us naturally in life like knowing when we have enough of something and need to pull off. Knowing what feels good and make us happy and knowing where and how to look for patterns!!

Analytics in simple terms is all about **PATTERNS!!** The identification and understanding of patterns and making them work for us.

Becoming the Actuary every Organization needs

Here's how:

- Learn about the right tools that can **Manage** and **Manipulate** data like Excel, R, SAS, SQL, Hadoop, Minitab, SPSS, etc

- Learn about **Techniques** that can **Predict** and **Forecast** accurately, like Multiple Linear regression, Logistic Regression, Cluster Analysis, Supervised and Unsupervised Machine Learning techniques

- Learning about all this from experts in analytics through courses like Cousera, Lynda.com, Microsoft office online training and more importantly taking classes while in college.

In my next article I will attempt to discuss some applications of analytics in insurance and some basics of Microsoft Excel for data analysis.

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