

# Virtual Actuary

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#LockdownLessons explores the impact of the Covid-19 pandemic on businesses, how they prepared for lockdown and its impacts on operations and employees, as well as lessons learned that we can take into the post-Covid-19 era.

[Virtual Actuary](#) is a team of experts offering a comprehensive range of actuarial services, founded on a depth of experience acquired locally and globally. Today, their clients are market-leading insurance companies, reinsurers and financial services companies.

Adi Kaimowitz, founder and CEO of Virtual Actuary, gives us insight into how the business has shifted for them.



Adi Kaimowitz, founder and CEO of Virtual Actuary, says "Working remotely in a more immersive digital way makes perfect sense to me. Technology allows us to do so."

## How has Covid-19 impacted your business?

Like everybody else, we are feeling the ripple effect of clients who are cautious and not as trigger happy to get projects going. It's an indirect effect, but one which we are starting to feel in senior-level conversations.

Understandably, our clients are unsure of how long it will last and they are trying to work out what their priorities are.

*“ We are in an interesting position where the work which we do in most cases, is critical to the running of our clients' businesses, and so my belief is that the caution is just temporary as they won't be able to kick the can down the road for too long without regulatory deadlines piling up and needing to be done. ”*

On the other hand, we do have some big projects which started recently, so it balances out ok.

Interestingly we have positioned our business as an affordable alternative to our big competitors and my belief is that once the clients start to action work they need done, they will call us instead of service providers they have used in the past, as budgetary pressures will sway them to using us; where they were perhaps thinking of doing so, but just needed a reason to make the switch.



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Evan-Lee Courie 9 Sep 2019



I've spoken about how a lean business model is not there specifically to save money, but rather to weather the storm when it comes. It seems the storm has arrived. We are not expense-heavy and so are able to relatively ride this out without needing a drastic change in strategy. I am hearing how some of our competitors are slashing prices by a third, to try to convince clients to stick with them.

At the end of this ride, I think we'll most probably pick up a lot of market share. I can confirm that from a strategy perspective, I did have three big initiatives I wanted to push for this year. It will be smarter to just see how this saga progresses, before throwing money into these projects. We're definitely sticking to basics for now. Clients need work done, we are available to do the work. Full stop.

### ▣ **How did you prepare for the lockdown?**

Personally, if we take a slight step backwards, in December I kitted out the whole house with a full solar system completely off the grid. In February it seemed I nailed the timing with all the load shedding. Now Covid-19 has hit. If the load shedding starts again soon, which I still think it will, then we'll be in a unique position.

Not to explain it too in-depth, but we'll be one of the only consultancies able to work unhindered. I pushed all our consultants to get big UPS systems so they can work for long without electricity. With my office being the head office, we are fully operational no matter what happens.

### ▣ **What's the biggest challenge you are facing during this pandemic?**

From a business perspective, I am focused on ensuring we have a steady stream of work coming in. I have made hundreds of phone calls to clients mentioning that in my opinion, they will not be hiring anybody full time for the next six to nine months, which leaves them in a situation where work will pile up.

It is super important I remind them we went through a vigorous process of getting onto their preferred supplier list and that I

believe it will be seamless for them to discuss work which needs to be done. Then just sign a quick transactional agreement with us for three months and we start working. That's way simpler than a long drawn out full time hiring process for them.

As obvious as it sounds, those clients might not realise we are on their system and able to take on work, so getting that message to them is critical. Our clients are big corporates and sometimes we only service various departments and not the whole business. Getting the message to key senior people is not so simple. One doesn't just wave a magic wand and your message goes out to the market. The challenging part is finding a balance of where to spend my time.

“ On a personal note, I am heartbroken by those who have no income coming in and no way of doing anything about it. I've had a tough journey to get to where I am today and I can relate completely to what they are going through. ”

#### ■ **What sort of assistance will you need going forward?**

We are in a fortunate position that we will not need any assistance whatsoever as we are self-reliant. We don't even qualify for assistance anyway. It's a weird scenario. Our actuaries took home over 82% of the revenue we generated. We don't fall within the R20m revenue and below limit category.

#### ■ **If you are able to operate, what steps are you taking to continue operating?**

We are operating with no issues. We set up the business as a digital consultancy right from the start. I always believed working from home was going to be the future. I have stood by that statement from the start.

“ Working remotely in a more immersive digital way makes perfect sense to me. Technology allows us to do so. ”

Why drive in hectic traffic just to sit in an open plan office and stare at a screen you brought with you from home. So that you could all sit in the same room a few times a day and have a meeting?

Being more efficient and comfortable makes more sense to me. We're very focused on making the right decisions of which clients to take on and where to focus our energy. It is critical we display phenomenal big match temperament for the next three months.

#### ■ **What measures have you put in place for your employees?**

Seeing as we are a collaborative, I'll mention that we are making sure those in our collaborative have ongoing work. Our business does not have any employees. The accounting, IT and digital design functions are outsourced. We operate with a Lean Mindset. We can focus entirely on client work without needing to put measures in place to keep the ship from sinking.

#### ■ **Are you communicating with your customers? If so, how?**

We are in constant contact with our clients and at times it's tricky to draw a line in the sand and say, this is work time and this is personal time. It's a new world. We operate with different fundamentals. Our clients reach out to us at 8pm at night and want to discuss projects. We understand the pressures they are under to get work out and we are completely immersed in delivering as soon as possible. The senior actuaries are managers of their own clients.

To add to that, I am the air traffic controller between the actuaries and the clients, so in most cases, I'm the one who gets the initial message or calls and then as a team we respond.

#### ■ **How are you offering assistance to your customers who rely on your services?**

We are a big shop, which means that whatever the clients need done, we have the actuaries in house who can do it. In the past, it was only the Big 4 consultancies who had that sort of skillset inhouse. They also charged accordingly.

Our strategy was to offer the same turnkey solution at a fraction of the fee. So our clients can say confidently in their exco meetings, that they will get us to partner on a piece of work; knowing full well we will not only deliver but do so under budget. This is very important.

It's a critical time now for our clients who need to be sure they can trust that what is promised, will be delivered above expectation.

▣ ***What do you predict the next 6 months will be like?***

Shoo, that's a tough question. Ok here goes. I predict the lockdown will be extended again, but certain services and businesses will be allowed to operate under increased guidelines. This will not stop the virus from spreading. With the lockdown being lifted somewhat, the impact on the hospitals will be beyond words. This will cause many companies, including our clients, to realise that even though people can, in theory, go into the office, they will not want to do so and the reality will sink in that things going back to normal will not happen so soon.

So they will now look around and make the best of the situation and agree internally that work which was put on hold, will need to get back on track. The freeze on full time hires will continue, as I've been saying to clients, outsourcing a chunk of work will make more sense. We will then step in as expected.

▣ ***Now is the time to innovate and experiment. What is Virtual Actuary doing?***

As I've said, I'm the first to push innovation. But I'm actually holding back a lot. Virtual Actuary is interacting with industry influencers; positioning us as the most innovative actuarial consultancy globally.

I believe our approach and understanding that the You-as-a-Brand world is the future of the corporate world, is going to give us much credibility with the industry at large.

Our vision of building teams around key actuaries is going to play itself out as clients understand that this makes sense. That key actuary will start to take on a portfolio of clients and will carry on building the junior teams which work underneath them. Our peer review nurturing Organised Collaborative model is an industry first and as we get our story told, we expect to continue getting a very positive response from large clients.



**Virtual Actuary**  
about 4 years ago



The Organized Collaborative business model and You-as-a-Brand World. Dr. Robin Kiera from [Digitalscouting.de](https://digitalscouting.de) and Adi Kaimowitz from Virtual Actuary discuss the disruption of the employer - employee structure. The Organized Collaborative business model and You-as-a-Brand World taking the lead, in 2020 and beyond. Actuaries and Insurtech as the future of the insurance industry going digital. <https://youtu.be/JhSlmgm0avA>

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So practically, over the past few weeks and for at least the next two months, I'm involved in many digital shop-talk discussions which we are creating. There is no doubt the pandemic caused me to distribute the New World - New Business Fundamentals insight sooner than expected.

I have also developed a one-day workshop for companies about this new world we are in and how to navigate it. It is a "this is how we built Virtual Actuary" workshop. The ideas we share and the new age concepts we discuss around our business model do two things. Firstly, it is very insightful for any company looking to take their business and make it more Fourth Industrial Revolution compliant.

Secondly, it allows our clients to have a window into our world as a cutting-edge consultancy. We are also utilizing this interaction with industry thought leaders to be counted as an industry thought leader.

### 🎯 **What has been your biggest lesson from all this?**

No matter how many experts and analysts you hire. No matter how many management courses you send your top tier managers to. No matter how much you think you are in a solid situation, if you do not sit up at night and think about how to hedge your strategy, you will find yourself scrambling should a black swan event present itself.

The key I believe, is to have the right leader in a business who can pre-empt where the business should be heading. All too often I see large companies hiring a leader from a competitor because they have a proven track record in the industry. I believe a leader must grow into a role. Anything less is just filling a gap. This is not real innovation. The lesson for me is, my definition of innovation is what guides me.

## ABOUT EVAN-LEE COURIE

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