

The Perfect Solution

I AM ON A MISSION TO PUT TOGETHER THE PERFECT ANALYSIS and reporting tool: The tell-me-everything-you-ever-wanted-to-know-about-anything-you-could-think-to-ask-and-do-it-effortlessly system. I have been on this mission since I started working as an actuary in the early 1980s. The difference for me now, decades into my pursuit, is that I know I will never achieve my goal; my work life is asymptotic to my goals. That's not bad. The fact that I keep getting closer is part of what keeps me engaged. I'm also motivated by a tremendous sense of satisfaction that comes when I'm able to empower a client with simple but powerful database technology solutions, solutions that extend the client's reach in meaningful yet practical ways. My work over the years has been about marrying these two motivating forces.

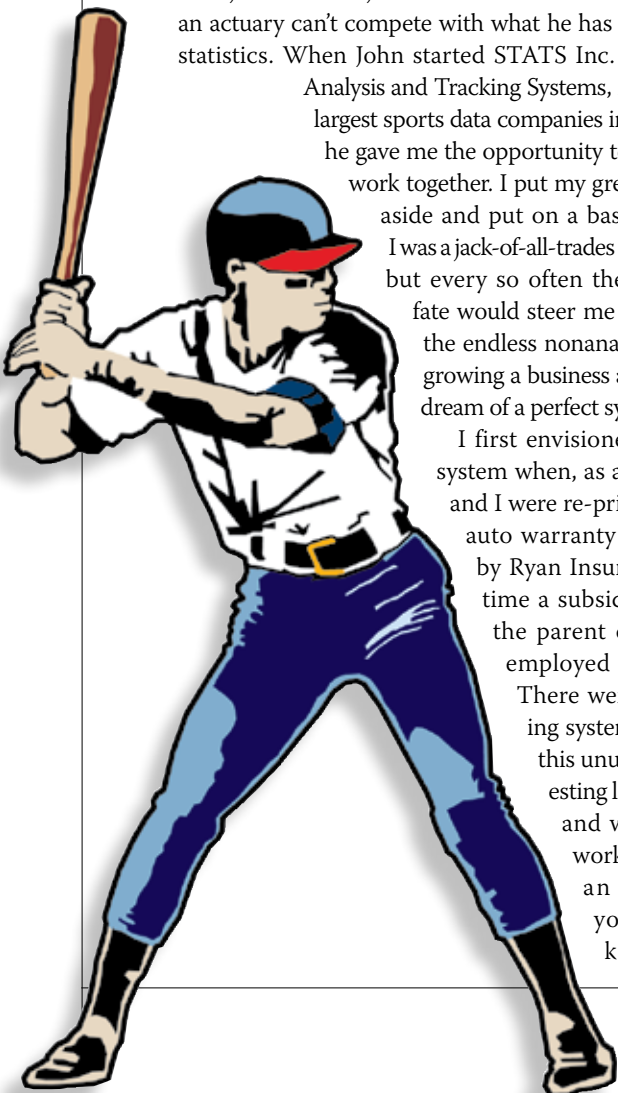
The topic has changed. It's now slugging percentages or free-throw percentages instead of loss ratios and change in reserve. During my 10-plus truly wonderful years working as an actuary, I spent a number of those years working with John Dewan. John's considerable accomplishments as an actuary can't compete with what he has done in sports statistics. When John started STATS Inc. (Sports Team Analysis and Tracking Systems, now one of the largest sports data companies in the business), he gave me the opportunity to continue our work together. I put my green eyeshade aside and put on a baseball cap. I was a jack-of-all-trades at STATS, but every so often the hand of fate would steer me away from the endless nonanalytical tasks of growing a business and toward my dream of a perfect system.

I first envisioned the perfect system when, as actuaries, John and I were re-pricing a book of auto warranty business sold by Ryan Insurance—at that time a subsidiary of AON, the parent company that employed John and me. There were few reporting systems in place for this unusual and interesting line of business, and we started our work by imagining an everything-you-wanted-to-know-about-

mechanical-repair system and proceeded to build about 1/100th of it. We built what our employer needed, and that's the point. Just because we wanted to go further, and perhaps just because we could have gone further, didn't mean we should. We made a meaningful impact, not only on the pricing but also on the way pricing would be carried out from that point forward.

As sports data entrepreneurs, enthusiastic customers would approach us every couple of months with the mission of pursuing a unified theory of baseball. They were going to uncover the single formula that would flawlessly compare every player who ever played to everyone else, regardless of position, or role, or era, etc. My heart went out to these driven and forlorn souls. In a way, I am one of them, seeking the unified analysis and reporting tool that would, among many other things, help discover the unified theory of baseball. Thankfully, at the time, I had too much else to do to get lost in this seductive pursuit. But that changed when my STATS work started focusing more on research and development and less on operational concerns. As part of this emerging role, I became the project manager for a software application to be used by the Major League Baseball Players Association. I inherited a system, initially developed by John Dewan and a small team, that performed basic administrative functions but, most importantly, offered users a way to analyze and report on player performance. Another too-good-to-be-true dimension of this new circumstance was that the client wanted more—a lot more. The client's needs and my secret ambitions were running dangerously close to each other.

Over 25 years ago, when I graduated from the University of Chicago and started my work life on the other side of town, the cost of powerful computing resources started



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plummeting and their capabilities began to soar. Like so many, I have seen my work profoundly shaped by the technology shifts over this time. In my first years as an actuary, most of us were working with 10-key calculators. Teams of checkers would pore over neatly penciled numbers on green columnar paper, making little tick marks with red pencils where the checker had successfully reproduced a number in a cell on the sheet. I remember that John Dewan had to argue for the first computer in our department (a pre-Macintosh Apple). VisiCalc was the way of the future, and many of us needlessly wondered when computers would make us actuaries obsolete.

The technologies that today we take for granted would have been science fiction to us just a couple of decades earlier. Yet they aren't enough to satisfy the dream of a powerful do-it-all system that anyone can use. In July 2001, I started Information Logistics to allow me to concentrate on data systems and analysis and that space between the needs of end-users and deep technical programming work. Our fantasy mission statement is to develop dream solutions that do it all, but in fact, our No.1 job is to listen carefully and our No.2 job (a close second) is to imagine outstanding solutions that fit. A dream solution is just a thinly disguised nightmare. A solution that really fits is the true dream.

Our clients are small and medium-sized businesses, mostly in sports but not exclusively. Among our clients are the Major League Baseball Players Association and the National Basketball Players Association. For one client, we might be developing large business-intelligence-based systems that entice my inner geek and come ever so close to the effortlessly-tell-me-about-anything-I-can-think-to-ask type of system. For another, it could be nothing more than a spreadsheet that brings together playing statistics and compensation. But even this spreadsheet-based "system" allows end-users to sort, filter, and pivot-table their way to insights

that otherwise were beyond reach—and that's exciting. We work with technologies that range from simple spreadsheets to large and complex online analytical processing (OLAP) databases. At either end of the spectrum, our work primarily focuses on creating tools that allow others to find meaning in data that would have otherwise gone unnoticed.

I work a great deal with sports agents, some of whom are technically very capable and others who view



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databases as necessary evils. Getting it right with this diverse group of important end-users also means training, hand-holding, troubleshooting, etc. Our work isn't confined to analysis of sports data. For example, we do very interesting work for both sports and non-sports clients on administrative systems that create 1099s, manage contracts, and track payables and receivables. We also do ad hoc analysis, such as investigating how to allocate interest income on very large amounts of settlement money that has been held in escrow on behalf of others. Our tools are used extensively in preparations for baseball salary arbitration hearings, and I have had the privilege of attending some of these hearings and observing the final product, troubleshooting, and, to a limited extent, assisting in the preparations of briefs.

Salary arbitration is the business case that, in my experience, comes closest to requiring the ideal a-couple-clicks-to-tell-all kind of system. Salary arbitration

requires open-ended discovery tools that allow users to explore playing statistics at different levels of granularity, compensation, years of service, injuries, trades, and even unstructured data such as news clippings. The goal of the discovery process is to find the right comparables (i.e., players whose statistics compare favorably to your player). These tools need to support

a long-term effort (I'm speaking of months) to analyze a player's case and carefully develop a hearing brief. These tools also need to support the hearing rebuttal process in which only minutes

are available to marshal data and analysis to respond to an argument brought up earlier in the hearing. The data in these tools needs to be updated frequently and should contain advanced reporting, including graphing capabilities, all of which integrate well with Microsoft Office. Because arbitration is a group effort, secure but easy-to-use collaboration tools are important. Finally, because the arbitration process is evolving (at one time on-base percentage was considered an oddball statistic), these tools have to change and grow over time with relative ease. Currently, we have multiple tools that address the variety of needs described here for the salary arbitration case.

Although my career has gone from annual statements to baseball salary arbitration, in many respects, I feel I have been doing the same thing for the past 25 years—using new technologies to derive meaning from large volumes of data. More recently, my work has focused on helping other mostly nontechnical people use these technologies to exploit their data. Whether I am creating new capabilities for myself or for others, whether I am working with new technologies or a very familiar set of tools, there's that moment when I know I have brought together the right combination of power and simplicity and moved just a little bit closer to that perfect solution. ●