

Virtual Actuary helps to connect actuaries



By [Evan-Lee Courie](#)

9 Sep 2019

#TheLockdownSeries explores the impact of the Covid-19 pandemic on small 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.

[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.

We chat to Adi Kaimowitz, founder and CEO of Virtual Actuary, to find out how the company started, some of the obstacles he's encountered as well as what he would like to see changed in the South African startup landscape...



Adi Kaimowitz, founder and CEO of Virtual Actuary

■ Can you tell us a bit about Virtual Actuary?

Our business has actuaries who are consultants in the following sectors: banking, insurance, healthcare, pensions and investments, and we also have a strong data science team.

The work we do is either building complex products, pricing these products or reporting and analytics on the capital and reserving for the institutions who provide these products to their clients.

There is also a big chunk of regulatory work we do, however, all in all, the work fits into actuarial science.

By definition, actuaries use financial and statistical models to calculate risk. These models can be in the form of technical Excel sheets or various other software programs.

We also do a lot of work in reinsurance. Our clients are more than often actuaries themselves who are directors managing large teams of actuaries.

We are hired on a continuous basis to either fit into their teams, fill gaps or as specialists, which they don't have in-house. We operate locally and have also started taking on clients overseas. We are in the middle of Year 2 and have grown the business into a R36mil a year revenue business.

■ ***When, how and why did you get started?***

The business was started in April 2017 and was registered on October 2017. Initially, we brought together 20 independent actuaries and formed an organised collaborative. We went to market in October 2017 and by February 2018 we brought on board our first client.

We launched the business for three reasons.

Firstly, as the answer to what one does with a network of over 4,500 local actuaries, which I had built up over 10 years working as a top recruiter of actuaries.

Secondly, as a lean business, we understood that by not having office space we could charge our clients less than half the price to what they had been used to paying for 20 years.



Co-working space vs. working from home

6 Sep 2019



And lastly, our business model allows independent actuaries to scale themselves and eventually earn 5x their salary level by bringing juniors in underneath them. Helping them to take on a portfolio of clients.

As an ex recruiter, I assist them in scaling. The scalability issue for independents, I picked up over 10 years, is a major obstacle to growing one's portfolio of clients.

■ ***What is the core function of Virtual Actuary?***

The business is the glue which connects actuaries looking to consult digitally, with clients looking to hire actuaries.

We have established a global business of actuaries working collaboratively with data scientists and insurtech and fintech programmers to service a growing global insurance and banking world. That's the core function.

▣ ***What are some of the obstacles you've had to overcome since starting out?***

Being a self-funded business is always trickier than getting an initial investor.

The benefits, if you can grow into a sizeable business, far outweigh the initial helping hand. A majority of our actuaries still consult physically into client's offices, however getting clients to interact with us more so digitally, takes a certain 'je ne sais quoi'.

It's never straight forward changing old ways of doing things, which traditionally was almost face to face - 100% of the time. But we have found that as clients interact with us on Zoom, they realise it's actually very useful and we then only see them face to face when we need to. We do see our clients often still face to face though.

We have also introduced digital collaboration tools like Slack to our teams, which allows them to interact on projects without needing to sit in the same room or office. It is significantly more efficient and as things have played themselves out, we have become experts at interacting globally with teams across eight different time zones.

One of the big challenges, which I believe we nailed, was getting the market to accept us as equals to the Big 4 established consultancies in quality and professionalism. These companies had a 20-year start on us, and in the space of 18 months, we hear often that conversations in the boardroom are steering towards, "why are we not using these guys more. They are significantly more affordable and the quality of the work they are producing is at the very highest level".

We then get calls to extend our projects and requests come in for other projects, which would traditionally only go to the Big 4 established firms. This, in my opinion, is where we were always heading, to be an equal to the established firms, but I'll be honest, the pace at which we have reached that level surprised me too.

It's a testament to the actuaries who are part of our business and just how strong their skillset and experience is. I try to keep up with them as the air traffic controller of the business. I did bring in super-strong actuaries into the business, but they have outperformed my expectations.

▣ ***What advice would you give to other aspiring entrepreneurs?***

Stop asking others what they think of your idea. Just start building it, getting it ready to take on clients and then start growing the business. Everyone else will soon realise you are killing it.

Buy strong coffee. Drink it at 8pm at night after dinner and stay up until 11pm until your business has some action. Then go and buy stronger coffee and drink it again at 8pm the next day and stay up until 11pm doing it all again until you can't do it anymore. Then come up with another way to put in more hours, like saying goodbye to your friends and not seeing them anymore on Saturdays and Sundays.

For the first five years of your business, if you want it to do well, you need to be *completely* involved. In my opinion, if you are an entrepreneur in your 20s, it's too early. Only 1% of 20-year-old entrepreneurs do brilliantly.

Spend your 20s working for other people and learn how to actually be a businessperson.

When looking at any situation, take the long game approach. Rather eat humble pie and pay someone more and adopt an "if you are successful, I will eventually be successful", mindset, as this will be the glue which keeps your business going until you find your feet. Do not get an investor right off the cuff. You will be giving away way too much equity for Cents on the Rand and in a few years when you look back, you will 100% guaranteed, be sorry you did so.

Split your share class into founder and investor shares so you don't lose control of your business in the boardroom.

And finally, share the money in the business and treat your colleagues as partners so you can all grow together. If you treat them like staff, they will leave like staff and you will have lost someone amazing. Obviously, you only brought them into the business because they were amazing!?



Adi Kaimowitz, founder and CEO of Virtual Actuary

■ ***What has been your proudest achievements thus far?***

Getting invited to speak in the US at an actuarial conference on the topic of disruption in the actuarial world. They paid for my trip. This was the firework moment that showed everyone we weren't just a normal actuarial consultancy but much much more.

■ ***What does the future of entrepreneurship look like to you?***

Within an organised collaborative, independent professionals can build up their own portfolio of clients and teams working underneath them to truly be global entrepreneurs. With the support of their silos and the business itself, they can reach their full potential. Technology empowers entrepreneurs to be significantly more efficient so they can be super global entrepreneurs.

In my opinion, the entrepreneur of the future is one who works together with other like-minded people to be completely connected across time zones. Working from dusk until dawn at all different hours and in all different locations allowing them to do a "10am – 4pm" but more than that be completely involved in the strategy of their own global scalability.

Imagine being on an aeroplane, then, while travelling in the Uber to the hotel, bashing out an email or piece of work sent out

to a large global team who will then put their input into the project so the client can get a quality final product as soon as possible, pay and order the next piece of work.



4 ways automation is revolutionising financial services

3 Sep 2019



This is magical, and only if you truly get what we are trying to achieve, can you see where we are taking our business. Add to this VR and AR technology, and it would make sense that the ride to the hotel was actually a high-level boardroom presentation with board members spread across the globe.

■ ***What do you think is the importance of startup accelerator/incubator programmes?***

Because, I didn't really understand it, we did it all ourselves and got to a point where we were already an established company before I went to my first get together. It's weird, sometimes the word startup doesn't make sense to me because I feel like we are already an established business.

Having said that, I believe the accelerator programs are valuable to condense true experts' knowledge into bite-sized usable pieces and stop startups from being stuck and not knowing what to do next. This article could be a talk someone does at such an accelerator. Its useful information and will make you think about how to adopt it in your business at the idea stage or a more advanced stage.

I remind myself often that as much as you think you know until you're a billion Rand business, you don't really know everything. So, I've started going to more events and tapping into the brilliance that some of these mentors have acquired over years of hard knocks.

■ ***What would you like to see changed in the South African startup landscape?***

A big push toward getting the government to give tax breaks to startups. Besides that, I think we have a super awesome startup scene. I'm only starting to interact with the scene, and I've made some really nice friends.

Possibly change the focus from how much have you raised and glorifying that, to how many paying customers do you have. Changing it from you will need office space, a budget to pay salaries, to how can we get you to not have any expenses at all. Who am I to suggest changes, but we ourselves follow these principles.

■ ***What do you believe are the traits an entrepreneur needs in order to succeed?***

The ability to get up off the floor and deal with setbacks, disappointment and days that make you want to climb under the blanket and hide from the world. Luckily the sun rises the next day and you always feel slightly better the next day.

The ability to get up on stage and have the confidence to speak in front of people.

Being tech-savvy and technical to work out the way your business will interact with the internet, the clients and inter-department communication. Sales. The ability to get a client to cross the line and sign your contract. Marketing, from start to finish, to come up with a campaign, to do the wording yourself, to get a designer to compile it and then finally to publish it online.

■ ***Why would you encourage someone to become an entrepreneur?***

The satisfaction that comes with looking back and seeing your idea come to life is unmatched in the corporate world when you work for someone else.

▣ **Where would you like to see *Virtual Actuary* in the next 5 years?**

Servicing clients in 15 countries, actuaries working in 20 countries seamlessly, having done our round A and achieving our unicorn status. And finally, our actuaries posting photos of their families on our #random page on Slack gleaming with joy about how their lives and the lives of their families have been transformed for the better because of their involvement in our global business.

ABOUT EVAN-LEE COURIE

Group Editor: Retail and Lifestyle

▣ #StartupStory: Meet Marko Stavrou, the 18-year-old co-founder of HustlersGlobal and Stavrou Consulting - 7 Dec 2022

▣ #BehindtheSelfie: Herman Bosman, chairperson of Endeavor South Africa - 30 Mar 2022

▣ #StartupStory: Zoie Health - a digital health clinic for women - 2 Mar 2022

▣ #StartupStory: The Client Media - 22 Feb 2022

▣ #StartupStory: In the Loop with Kimberly Taylor - 17 Feb 2022

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>