Rainmaker
PODCAST

EPISODE #3

GQG PARTNERS

STEVE FORD

GUI COSTIN: Welcome, everybody to the Rainmaker podcast. Gui Costin, Founder and CEO Dakota. I'm joined by Steve Ford, Managing Director at GQG partners. Steve, welcome.

STEVE FORD: Thanks, Gui. Good to be here.

GUI COSTIN: Thrilled to have you here. So, as you all know, we know different distribution heads. And things that we don't really get to in casual conversation if we're playing golf, having dinner, having a drink at a conference, we're not talking really sort of beneath the surface of all things distribution— best practices, really, how we conduct our business.
I mean, I've known friends for 20 years, where we interview on this podcast— hadn't really ever talked to this level of depth, and it's around best practices. And there's no conferences that we can go to. There's nothing like that.
And, Steve, having known you for a little while, you were one of the first adopters, if you will, of Dakota Marketplace. And we shared, in our Bryn Mawr office, went through a lot of sales, leadership, process, everything. And I was so impressed. I was like, who else would we want to have on the show than yourself? So thrilled to have you.

STEVE FORD: Yeah. Thank you. And, look, the partnership has been real between the two firms and been a big fan of what you guys are doing.

GUI COSTIN: Steve is a managing director of global distribution. He leads the firm's global distribution effort with over 20 years of industry experience. Before he joined GQG partners, Steve was a managing director at Pacific Current Group. In this role, he worked with founders of GQG partners to develop and implement the firm's institutional and business development strategy.
Steve has held positions at Northern Lights Capital Group, Rydex Investments, and Strong Investments. Steve earned his BS in administration from Westminster College. He's a CAIA charterholder and holds a Series 7, 24, and 63 licenses. Full disclosure, my mentor does work for Steve, Pete Moran.

STEVE FORD: Pete has forgotten more about this business than I could hope to know.

GUI COSTIN: He taught me the business in 2001, and I'll never forget that. So he's been the best. He got me on the right track, so I'm very, very grateful. So we're so thrilled to have. You would you mind—

could you just give just a little background on yourself and your career?

STEVE FORD: Yeah. So the starting point is I actually— I grew up in a very small town. So I'm from the Ozarks, if you're a fan of the Netflix show.

GUI COSTIN: Yeah, of course.

STEVE FORD: I say that the real-life Langmores are, like, my second cousins or something like that.

GUI COSTIN: So it's real?

STEVE FORD: Oh, yeah. Yeah, I think it's a pretty fair depiction of the locals and all that. There's not a lot of Jason Bateman characters running around, but the rest of it is pretty good. And that the fancy part of the Ozarks, too, by the way.

But I've always been in this business. This is all I've ever done. I was originally trained on the advisor side of the business— wholesaling, if you will.

I did that for six years and then spent, really, the bulk of my career focused on institutional, so classic endowment foundation, pension consultants, and that kind of things. And, today, at GQG, I lead our total client-facing effort across both channels and really focus on everything.

GUI COSTIN: That's great. And you're really big into sales process. And before we get to that— because it's one thing that I really enjoyed. And my personal belief is that these jobs can get weird, especially as you get older. You know what I mean?

But if you actually— because you guys have had a great run at GQG, but even outside of that, what I've been so impressed by is you've put such strict sales process in place, despite being on an amazing investment team. Can you just talk a little about how your team is structured?

STEVE FORD: Yeah. So we have a multichannel approach to what we do. So we have two distinct teams. So there's roughly a 10-person institutional team focusing on, really, true, classic institutional sales and client service. And then there's another group that we call intermediary or advisor sales. And that's roughly a 20-person team. So part of that is focused on national accounts, gatekeeper level of what we do. And then we've got nine field territories partnered up

with junior sales people at our office from a desk. And all of it is process-driven. The way I think about this is GQG is a machine, and nobody is bigger than the machine, including me.
And so all of us can thrive in that and be wildly successful, but there is a process to how the machine works. And everybody can evolve that and make that better as we go. But, ultimately, you have to figure out how to fit in the machine, too.

GUI COSTIN: But there's some level of brilliance— and I mean this in all sincerity— around understanding that you're on a rocket ship. But instead of just taking that for granted, and just being like, oh, it's going great, you've put an insane amount of structure in place within the business.

STEVE FORD: Well, if you think about it, I mean, look, we've been wildly fortunate to have the success that we've had, both in terms of investment success and commercial success. Because of that, it's been incredibly easy for me to confuse a sales person with very good results that is actually mediocre. And I view this as a great privilege to do what we get to do, both for ourselves and for our clients.
And so I just have a culture of very high standards. And so the process is really what I think is the minimum to meet the standards. And people that are under that— it's really I want to help you be more successful and find the right fit for you. And if that's not GQG, that's OK. But, usually, we can figure out how to get people successful in our process and go on to do really great things.

GUI COSTIN: I want to talk more about process, but talk about that concept of the culture that you have in your distribution efforts and then people who just have to raise their hand eventually, despite how much you try to help them, and they're just like, look, I'm probably going to be better off at another place, meaning, have you found, in doing this, that you end up just finding cultural fits? People— let's say they're all equal in terms of nice people, hard working, and all that—

STEVE FORD: Yeah, yeah, course.

GUI COSTIN: —but where it just ends up being more people are adept at the GQG way versus not.

STEVE FORD: Yeah. Look, I think the first and foremost to fitting into that is an element of humility. And so some salespeople aren't really trained that way. They're trained to be the center of the universe.

And they can be very, very good at what they do, but it will not fit for us.
So I have, I would say, a very long leash and willing to over-invest in people's development technically, in terms of getting better at what they do in their craft. I have an incredibly short lease on culture. And so if you don't fit in, and you don't understand what we're doing as a team and how to be a part of that, then you can't be a part of what we're doing.

GUI COSTIN: Could you talk about the culture and the things that you have to do on a daily, weekly basis? Because I live culture. I've put all of our principles on our website. I have to own them. I mean, I'm such a culture-buyer because people can go other places.
And when we started the business— and maybe you can talk about this a little bit about GQG— keeping your best players is, obviously, what we all want to do. But let's just take a step back and say, why? And what I learned is, when you bring someone on board, in the beginning, it takes 10 hours to do the task. And then, all of a sudden, it takes five hours. Then, all of a sudden, it takes an hour.
Then, all of a sudden, it takes 30 minutes, and then takes 10 minutes to get the job done. So there becomes this institutional knowledge of how to get the job done. If you have a lot of turnover in the institutional knowledge, you're in deep, deep trouble.

STEVE FORD: Yeah, yeah. No, it cuts both ways, for sure. So we want to obviously have our best people stay and be wildly successful. But I think, when you look at that— and I talk to some of our younger salespeople about this sometimes. They'll be like, hey, I've been here for six months now, and I really feel like I've gotten good at this, and I'm making a big impact.
And I'm like, I'm sure you have. And then I'll talk to them again in six months, and I say, how much better are you today than you were six months ago because that learning curve is very steep? And everyone says, yeah, I didn't know anything six months ago.
And so as that builds, and builds, and builds, the job should get easier. You should get better at it. Our clients should benefit from that. And the team gets stronger over time. And my job is to empower that.
My job is also to help people get what they want out of the journey, if they help our clients get what they want out of this journey. And that can be with GQG. And, ultimately, I think part of I hope what my legacy is, kind of like your relationship with Pete, is that people who have been a part of what we do get to go on and do some really

amazing things in the industry, hopefully with GQG, but sometimes other places, too.

GUI COSTIN: Right. And it seems like what you just said to me is that you really want to make it about helping other people get what they want out of life.

STEVE FORD: 100%. What's the old Zig Ziglar— it's like, you can get anything you want if you get as many people what they want or something like that.

GUI COSTIN: Right— a lot of Zig over the years. Love that guy. So funny you brought that up. So do you want to walk through— before, we were just chatting outside of the studio, and you mentioned you have your intermediary sales team. You have an institutional sales team. I was going to ask you about sales process.

I'm the massive, massive— just to give everyone a sense about how much I believe in sales process is that our sales team has a 7:45 check-in daily, and then we go through calendar, good news from the day before. The inside team describes what their 30-second plan is for that day, what cities they're scheduling for.

And then our two metrics are— and this is on the software side, just to give you a sense. It's the same on the investment side. But I'm only saying this so you can get a sense of how committed we are. And we have a 5:00 check-in against two metrics— first-time demos and reengage.

So it's a whole process. So it's 10 check-ins. One guy looks at me, and I told him the story, and he goes, boy, you must be Mr. Popular.

And I said, you know what's funny is that, if you ask the team, what's their favorite part of the day, and they would do personal biovideos in the studio, they'll say it's the 7:45 check-in. So I'm such a big believer in it, and I know you are, and I remember, five years ago, that was the case. Can you tell us the difference between— because you were just talking number of accounts and such— the differences between the institutional team sales process and then how you relate that to the intermediary sales process?

STEVE FORD: Yeah, yeah. So, look, for us, we have a core set of products, so four core strategies that we're out with with one investment team. So the message between our groups is incredibly similar. So what we're out telling any advisor versus any institution is nearly identical. So it's not really about your ability to message something differently, although there can be small things around taxes or things like that.

But it's really not about that. It's really more about the prioritization effort that you have to go through. So in institutional world, give or take, there's roughly probably a thousand points of contact in the US where you could actually meet with them and influence a decision, outside of getting to board members or something like that, which is not much of what we do. So that's really— you could cold-call all of them in two days or something. That's not really that big. It's really getting them to pay attention.

And so that's really about depth, and how do you set up a process that encourages depth? And then, in our intermediary side, where there's 280,000 advisors in the US, you could spend your time talking to the tens of thousands of advisors that are complete and utter lack of fit for what you do. That's not a good use of anyone's time.

So the front end for our advisor team and process is really about prioritizing who you should be talking to. And then, beyond that, whether you're an institutional intermediary, what are you going to tell them that's convincing, and what's your process to take them on a buying journey? And I think, for the average advisor that we work with or institutions, certainly, it's median and up in size. And they want to go on some sort of buying journey.

They're not going to sit down with me, and I have some special sauce that I sprinkle on it and go, but wait, there's more. And then they're like, oh, well, now that you told me that, I'll go ahead and buy with you. It doesn't work like that. They need to understand what we do in a deep way.

And, in a lot of ways, I don't like to think about it in terms of sales. I like to think of it in terms of we're educating people on what we do well. And if it's a fit, they'll do what comes naturally in their buying process. We take them on that journey.

And so process-wise, we do some simple things like, every week, we send out a report, and it's transparent, not just to our sales teams, but to our marketing team, to our CPM team, to our executive team on every meeting that was done for the week, where everything is at in a pipeline, where we're at on metrics across a variety of ranges, all the ones that matter to us. It's completely transparent. There is no place to hide.

And then each individual team has a different cadence of individual meetings, both with manager and with group, to share that feedback. And then different individual reports, like our internal desk has a weekly metric report that really shows where they rank, frankly, to their peers on a weekly basis and relative to what we think is the minimum standard.

GUI COSTIN: Yeah. I want to get back to the metrics because I can already tell you're not an activity guy for activity's sake. It's very transparent against what matters most is my interpretation. But let's get back, and just let's unpack the depth a little bit more because I'm such— when we teach our Rainmaker class, basically, point number 2, the pillar number 2 is bring the story to life. So you have to become a master messenger.

And so you're training around depth of your institutional team. We're selling complex products. And the genius is, can you take a complex product and make it simple to understand? And if you can do that in fewer meetings, because you're really depth— you have great skill at doing that to that depth, can you just talk a little bit about that?

I think that's the lost art that people don't understand is the education process and really bringing that due 3 [INAUDIBLE] along. I'd say, the best can do it faster but not skipping any parts of it.

STEVE FORD: Right, so you touched on some interesting stuff. So one is— I'll try to rephrase what you said. I think it is there's a big difference between giving someone the facts and telling someone a story with the facts. And that's what we try to help people do over time.

It's a complex product, at the end of the day. Everything that goes underneath of the investment process, and picking stocks, and building portfolios, and risk management, and all those things can get pretty mundane pretty quickly. So how can you help people understand in a simple way?

And I believe to my core, whether it's a small advisor or a mega institution, within the first 15 minutes of meeting you, they make a decision about whether this is worth their time or not. So if you can't get to the point in the first 15 minutes about what you do well and why it might be a fit for how they invest a portfolio or help their clients, you've got an uphill battle from there in a big, big way.

So that's a lot of the training that we're trying to do on our message and our education around industry, and the markets, and everything else. That's an ongoing thing. And nobody is immune from that.

I don't care how senior you are on our team. When we do those training exercises, everyone participates, and no one no one is left out. So it's not a way to pick on junior people or underperformers.

GUI COSTIN: Well, you really talked about something that is near and dear to my heart is that we're storytellers— absolutely the best for the storytellers. But you're never selling to the end buyer, at least at the institutional level— maybe, maybe at the FA level. But that means the product's probably already been approved.

So that means you have to tell a story. And when you leave the conference room, and that person goes back to their colleagues, and they say, hey, what does [? Edward ?] do with Gui, what does GQG do? And if they can retell the story, like, look, it's an amazing, amazing business. I love the strategy and here's why— because you told a story that can be retold.

STEVE FORD: Yeah, look, I totally agree with that. I mean, the vast, vast majority of the time, you are not engaging a sole decision-maker. They have to go and help somebody else understand what you do. And they need to be able to probably do that both verbally and written.

So that means your experience of that buying journey that you have to take them on, all those things need to line up between what they hear from maybe the salesperson from the very, very first conversation to what they're going to hear from a CPM, to what they're going to hear from our analyst team, from what they're going to hear from our PMs. Does it match everything that we have in our written material? And is it distilled down in a way that they can turn around and go, OK, I can actually turn that into a report? I can stand up and talk for 10 minutes myself about what this firm does and why it's a great fit for us.

And so I try to think about things through that lens. And then you evolve it over time. One of the things that I've seen for us— we started seven years ago with a blank sheet of paper and a founder and CI who had a great reputation. And our original message and the way we talked about things was incredibly similar to how we talked about things previously.

If you look at the way we message those things today, it's dramatically different— same investment process, by the way. But I think we've learned a lot more about and taking feedback from our clients about what they understand and what makes sense. And you make these little evolutions over time, and then you turn around, and it's like you've made a huge leap, but it comes one bit by bit.

GUI COSTIN: So consistency of message is, obviously, critical. And that doesn't come overnight. It takes practice. It takes buy-in from the PMs. It takes a sophisticated marketer to be able to understand what they should— because I've always said, raising money is pretty easy if how to tell people what they want to hear, not in a way to butter them up, but, actually, you know the person across from you wants to hear certain things in a certain way, and they don't want to have conflicting answers. So it's that preparation.

I have this belief that marketers don't understand that if they put this in place, even if you have a ridiculously good investor who's got the performance, they've got the whole thing— if you force everyone to fall into line in terms of how you are articulating your messages and that consistency, it has an unavoidable outcome, even though, I think, in investment, it can have a really great outcome on everything at the firm. And I've seen that with [? Edward ?] because we really have done it very similar to you.

STEVE FORD: A, 100% agree. And then, B, so how do you have a process around that, even which is qualitative in terms of the message? So what we try to do is— obviously, you train on the basic engagement of how to talk about all elements of what we do. But I would say, at any given time, there's 35 to 50 questions that you need to be able to answer really, really well about what we do as a firm that are not related to what's in the portfolio today.
And those evolve slowly over time, and so we are constantly updating that. And every time we have any kind of a messaging new point or an evolution, we memorialize that in written form. We discuss and train on it. I'll give the message.
And then we break that down on our individual teams and talk about it again. And then that running list of 30 to 50 is kept. And when we have our bigger sales team meetings, I create a very high-pressure environment where people have to answer, randomly, questions in front of their colleagues and peers. And it's all about a culture of feedback, at that point, so that you can hear what other people do. And when somebody is falling down, I make other people step in to say, here's how you do it. And then they give it, and we go around and around. And, initially, the first few times people do that, it's pretty uncomfortable. But, over time, to what your point was— what's your favorite part of the day— if I ask people, what's the best session that we do at our sales meetings, this will get the highest review.

GUI COSTIN: Yeah. Again, it's brilliant because you're $100 billion AUM roughly, approximately, as they would say for compliance purposes. But you have four strategies, so you're really a boutique, to a large degree. I mean, I've interviewed Eric Sullivan on this, and, obviously, PIMCO has a lot of different strategies.
Your ability to be able to just focus in on those 35 to 50 questions is— I mean, that's everything. The way, I've always posited this for 15 years is that we can have this unbelievable front-end engine to get great meetings. All right, you go to Cincinnati, and you're covering all channels in Cincinnati. And it costs $2,000 to get to Cincinnati.

But if you get in that meeting with Fifth Third, or you get in that meeting with Thor, you get in that meeting with the UBS [? Corner ?] advisor, FA, are you connecting? How is your messaging? Because you invest all that time, money, and energy in the front end, but if you don't do what you're doing, which is understanding, what are the 35 to 50— I always say, in your opening remarks, first two minutes, you have 15 to 20 questions you need to get off the table that are are table stakes so the rest of the time can be focused on talking— a conversation about the investment process, strategy, team, risk controls, everything.

So many people— we've taken on strategy, and some of our teammates— I'll be on the call. I'm like, you're asking him a question that should have been answered in our opening remarks. Why are we waiting for minute 15 or 20, and he's still confused around the product structure or what have you, how it can be bought and everything? And then it ruins the flow.

STEVE FORD: I mean, that's back to my point of the first 15 minutes of a meeting. If you're not teeing that up well, and if their body language hasn't changed and leaning in a little bit to the conversation, then you've got work to do, or it's just not a fit. And that's an OK answer, too, by the way.

GUI COSTIN: Right.

STEVE FORD: We're not trying to convince everybody in the world that we're always the best fit. I think it's really about, can we help people understand quickly, is this worth spending their valuable resources and time on? And, sometimes, the answer is yes but not today, and that's OK, too. You want to put yourself in that position that when the opportunity does become available, you're front of mind.

And so our institutional business— you're thinking about that a lot. So there's multiple points of engagement. Obviously, research consultants control or gatekeep a lot of the industry, but there's a lot of plans that will have a staff. They're going to look at the research ratings from a consultant, and then they also have a field consultant that really takes care of their account on a day-to-day basis.

And we want to educate all three of those potential influencers to that process. And you know what? That may not amount to anything today. But, three years from now, when they have a search, it's going to mean a lot.

GUI COSTIN: So if we were to now unpack that a little bit— because I think this is what is one of the most fascinating things about purchasing decisions. And then, so, now, you've educated all these different constituents on a particular strategy. Now, you've got the final presentation, where they're presenting, whether you're doing it, or they're just doing it to represent you.
But they have to present maybe two or three options. If they're more familiar, through the education process, with your investment strategy than the others because you've over communicated, hey, these are the different questions where people get tripped up, especially when you're presenting to your peers— people don't understand that a due diligence channels at an RAA literally has to present to the investment committee.
And that can be dicey because if, one, they recommend something that doesn't go well, number two, if they can't answer the questions properly. So I always think of it as our job to arm them. And if you're armed better than the other sales guy did for the other one, they're going to— right?

STEVE FORD: Yeah, look, 100%. So if you take allocators, or consultants, or anybody else, and you just say, hey, we've already won or lost this thing. It's already done. But tell me, behind the scenes, how did the decision making process go?
And some of the stories I've heard about why a manager got selected or didn't get selected for a mandate can make you shake your head a little bit. And that's just human nature. So there's no reason to get frustrated by it.
But what it tells you is you need to increase your probabilities to the greatest degree you can. And if three groups that influenced the decision have familiarity and comfort with you, it doesn't mean you're winning anything, but it means your probabilities probably went up. And so that's how we think about it in the institutional world. And the advisor world is no different. It's just not as influenced as always by as many different participants, from a third-party perspective, in that decision. But the principles still apply.

GUI COSTIN: So you mentioned metrics and principles and everything around communication. I don't want to— I just want to come back to that a little bit around how you communicate both down, if you will, to your team and then how you communicate up and then just how important that level of communication is to maintain a life for you of the lowest agita possible.

STEVE FORD: That's good. Yeah, so let's start with principles. So anybody who's worked with me would know that I'm a big believer in Ray Dalio's book Principles. And we write it down that way to think about it.

And when we originally started with— we have our own firm values and principles. But for our team and our group, we've created our own, as well, about, from a firm and client perspective, how does that apply to what we're doing? And when we first wrote it all down, it was really to try to help us hire better— to say, hey, here's what we're about. Here's the kind of people we want to work with.

How do we identify that? How do we interview for that? And it went from there and became something more than that, which is very much the foundation of what our culture is. So, to me, culture is about the principles you believe in and then the actions and consequences that you have around those principles.

And so we've got a list of 12 principles that are sacrosanct for us. And I believe a principles list should get longer over time, not shorter. And when somebody gets hired for our team, I don't care how junior or how senior, I sit down, and I spent one hour with them on the principles.

And part of that is a history lesson about why a principle is what it is because one of the challenges with that, if you say, well, we want to engage with highly responsive people because that's low-hanging fruit, well, who would ever say the opposite? So you have to actually put color on why it's important for that to be one of our 12 at GQG. How has that been reflected in our history? How are we addressing that on a go-forward basis? Where is strengths and weaknesses? And some of these things are aspirational. It's difficult to be perfect at any of them. And so we're constantly reinforcing that, starting on the first week that they're at the firm.

At one of our big sales meetings for our global sales meeting around the firm, which is 70-plus people, we take one of the principles once a month. We have someone on the team highlight that principle, both of what it means to them and then, also, examples of people on the team that they believe highlight that. It takes five minutes. We do that once a month.

And then, typically, at our larger sales meetings twice a year, we are doing some sort of activities and engagement, again, around the principles, just thinking about, why does it matter to us? Because, if I look at the people that have not been a good fit for our team, they violate one or more of the principles egregiously.

And so I think it's just common ground for us. And I believe it helps us be better at everything that we do.

GUI COSTIN: That's, again, brilliant. I love it. And we walk the talk, so we have 14 principles that are on our website. And a lot of them, we call them Dakota-isms, like walk the eight feet. Don't go cowboy. We sell apples to apple buyers. We don't try to convince orange buyers to buy apples.

We index large cap growth— no, no, no, no, no. You can do it— no, no. We index large cap growth. OK, I got it. We can move on.

So I learned two things we're going to implement that you just went through— number one, sitting down with each new hire and going through the principles. So brilliant. We do personal bio videos for every teammate when they join. They're done right behind you in the studio. Roberto and Jamie do them, and they ask them questions. I'm not involved.

They ask questions, and they ask, what is your favorite Dakota-ism, which are our principles. And then they ask them why, and they go through it. So what you just said rings so true. When you have the principles, a lot of people just— they eventually vote themselves off the island because they can't meet the principle. You know what I mean?

And then, how about this? The people that buy into the principles, and your leadership team, and everything, they look at you and go, that person just violated this principle. And then you have all the eyes now on you.

All right, big boy, what are you going to do you?

STEVE FORD: Yeah, look, I mean, as I talk about— I didn't coin this phrase, but I heard it somewhere once. There's a balance that needs to be struck in sales leadership between empathy and justice. And if you really boil that— and it sounds a little cliché or whatever. But if you really boil that down and think about what motivates people but, also, then, creates the right environment, I think it's a balance of those two things.

And it's having an empathy for how difficult, sometimes, this job can be, how much it can grind you down, how, actually, competitive it is out there. I mean, everyone's very nice in the industry, but let's make no mistake, this is a wildly competitive industry. There's 200-plus products in every category that I operate in. And if you haven't noticed the whole industry, is full of exathletes, so everybody is trying to knock you off your perch at every moment.

So it's finding that balance of how to motivate people and understand what they do through positive reinforcement and empathy but also saying, look, that's not acceptable, either in terms of the technical skill or how we behave. And if people can't make the correction, then it's actually an easy decision. I don't lose a single ounce of sleep over that.

GUI COSTIN: Our downtown office has everyone under 35. And there's no manager in any way, shape, or form. And it becomes— and you have these 30, 35 people all in their 20s, a lot of them first job out of college.

Because we have our principles, it becomes a self-governing situation. And if somebody— it doesn't happen much, but if it maybe just is a slight attire or something, some of a more seasoned person would come over and be like, hey, excuse me. Is that what we stand for? Which is great because it's a wake-up call.

What I've learned, now, at 56 years old, the principles really do matter, and they really do drive behavior. And it's amazing because I've had a few situations where all the eyes were on me when a principle was violated. And within 24 hours, I made— I had to just take a deep breath. I had to verify some facts, and then you're like, OK, got it.

STEVE FORD: Look, not every principle violation is a capital offense. There are small offenses. And I find one of the things that's powerful is just the vulnerability of admitting the mistakes, and so whether that's my own, as a leader— I try to admit that openly when I make the mistakes and get better at it.

But when there are members of our team who, maybe, we have teaching moments with to say, hey, look, let's turn this into a positive. Why don't you come on our team meeting or our global call or whatever it is and just talk about that through the lens of the principle? This is the mistake that I made and what I learned from it. And, suddenly, something that you felt not so great about, you helped the team get better from, and you turned it around.

GUI COSTIN: That's great. I love your communication style and leadership style. So I want to transition for a sec into something that's near and dear to my heart, and I know it's near and dear to your heart, is salesforce.com and a CRM. And I really would love, from a high level, to tell me, at the end of the day, what impact do you believe the value of usage of a CRM and a CRM, in general, because I'm such— it runs our business. We've never had to use the word adoption ever, ever at Dakota.

STEVE FORD: Yeah, yeah, yeah.

GUI COSTIN: So I know you know where I'm going with this, but could you just comment on that, as a CRM and the power of it?

STEVE FORD: Yeah. No, of course. Well, look, from our team, if it's not in the CRM, it didn't happen is the starting point. And one of the other things I've noticed, if I go to conferences or whatnot— and there's obviously people in industry investing tremendous amounts of money and trying to improve their data and how their CRM works and all those kind of things. And everyone has a lot of pleasantries to say about that.

And then if I'm having a drink or a meal with a peer in sales leadership, usually it's like, yeah, there's some struggles is kind of the challenge. And, look, it's ridiculously complex, and I was never trained in these different technologies and the capabilities, so it's been a lot of learning. We have made meaningful investment there and to try to, A, just make everyone's life easier.

So if you think about the process of, who are we going to talk to? What's the buying process that we then try to take them on? The CRM is the only way to do that at scale that I'm aware of. So even if it's just basic— keeping the contact information and an email list and a pipeline— that's the very basics.

And then you say, what other kind of data can you really start bringing into this, now, as these systems have evolved, whether it's Dakota data or data that you can purchase from a lot of other places? Maybe you're going to incorporate data from your website. Maybe you're going to incorporate buying habits from other third parties. Maybe you're going to put AI on top of all that.

And we're doing some of those things, and we're aspirational towards others. But the question is, if I make an investment like that, if I can simply make one of our salespeople 10% more efficient, well, OK, 10% on a week doesn't feel like much. But over the course of a year, over the course of three years— we've had a lot of success.

I feel like when we're in front of people with our message, we've got a pretty good hit rate of finding new clients. So that's very valuable. So everyone's searching for that little bit greater efficiency. And we've had a lot of forward progress from when we launched the business, in which the CRM was basically just a repository for contact data, to where we are today.

But I have my frustrations with it, too. Just last week. We were having some massive frustrations with this thing of we keep making progress, and then we create more challenges. But I think that's the nature of, frankly, all distribution is you've got to evolve what you're doing. You've got to be willing to evolve process, message, technology, all those things.

You're dogmatic about what you believe in, but you are flexible about how you can go accomplish it. And even with sales people, while I say there's a machine, and there's process, and all that's true, people have to be able to find their own pathway. So I feel like there's a hundred ways to sales heaven, but they've got to fit in the boundary lines.

GUI COSTIN: Yeah. So same with us in terms of— but taking it back to the basic principles, as you just said, all the contact information, but, importantly, having that be up to date. Clearly, that's the business that we've put ourselves in, for ourselves, as well. We eat our own cooking.

What's more important than that— getting the meetings that have been scheduled in Salesforce and, of course, meeting notes. But I would even say, I would take priority over the meeting that's been scheduled, getting it in. I don't believe there's many leverage points. If a sales person only has their time, the CRM becomes the number-one leverage point.

Now, the number-two leverage point— or one, however you want to say it— I think there's about five that are— the master messenger, a great storyteller. We've already talked about that. Getting this information in so you can look at your past activity because time flies. You do all these meetings.

Follow-up on the yellow stickies or Excel spreadsheet and everything has no scale to it. It has no scale to cross-reference to pipeline or anything. But when I was at our conference, I spoke about leverage points, and I spoke about the power of a CRM. I literally was apologizing the whole time, just assuming I'm telling you guys something you already know.

So many of our customers and people came up to me and said, hey, thanks so much. That was so helpful and insightful for how you use your CRM as a leverage point. I'm like, it's how you get from— you said 10%, if it's 10% a week, a month. I say it's the way you can go from 1x, as a sales person, average, to 2x, to 5x, to 10x is getting the information in your CRM so you're— one-click follow-up.

STEVE FORD: Well, look, it's interesting. So I hired a head of sales enablement for our team. He's built a small team. And one of his concerns when I was interviewing was, will you be able to get the adoption? And I said, don't worry. We'll get the adoption.

And so he's had a change of culture from where he was at before. And it doesn't make sense to me to do it any other way. And I think, frankly, that will soon come to pass in the industry because the things that you can do from a marketing perspective now— the ability to

target both via email, via social media, et cetera, whether it's advisor, institutional, et cetera— the salesperson's effectiveness is still there, but it's different than it was before.
It's not simply about turning over rocks. I can get marketing and social media to turn over thousands and thousands of rocks for me continuously. So the sales person is really about finding the leverage points, using their knowledge of what we do particularly well, these potential clients, their universe, the markets, everything that's going on in context to get attention and to tell a story and to know where you're at in that process with all the potential people you could be talking to in whatever you cover. Yeah, the CRM is the only way to do that.

GUI COSTIN: And before we just move off this topic because, if you have to manage up to Rajiv and your executive team, imagine how hard it would be or, conversely, how easy it would be— I just want to circle back to a point because you made the point about adoption with your head of enablement and that all good adoption. It's my belief I'm doing our team a disservice if they aren't playing to the highest professional level.
And I would say, if you're going to be a sales professional, playing at the highest level is to make sure you are utilizing all those leverage points, a CRM being one of them. So it's almost like you're doing your team a disservice if you don't hold them to account to manage the business out of the CRM.

STEVE FORD: Yeah. Look, principle one is high standards, so we can start there. And then, look, it just creates a tremendous amount of transparency. So I want to look— I have a belief about how many opportunities a salesperson should have in a pipeline. And that can vary depending upon what they're covering.
But we kind of know what those numbers look like over time, so it should be the first thing I'm looking at with a salesperson. I don't really care about how many emails you send out or calls you get. I care about the number of meetings you get and, ultimately, what that translates into in terms of opportunities for you.
And those things are very simple to measure, and we can understand them. It doesn't mean that it won't ebb and flow. It will ebb and flow, but it facilitates an easy conversation. And it's a small team, so there's no place to hide.
And I use it for transparency reporting up, as well. So I send that same report to our entire client-facing team every week. I also send it up. So it's very easy to digest to understand exactly what's going on

group by group and exactly— if you want to drill down to the salesperson, you can do that, too.

GUI COSTIN: Yeah. So as we're coming to the end, I want to cover a few topics. We covered a lot about your leadership style. It came through. Was there any comments that you want to make in addition to the comments we've already talked about, in terms of how you manage the business?

STEVE FORD: I mean, look, I think we've covered off a lot of it. I think I'd go back again to invest in people so that they can, ultimately, get what they want out of it. But to the degree that they're making it about themselves, then you've got to move on.

And I think, if I think back through my whole career, I've worked with some just absolutely fantastic people to be around in this industry. Then you'll also remember, typically, a few that maybe weren't the most fantastic to be around. Well, what did those ones that weren't fantastic to be around have in common? They were typically very smart, very good at what they did, and very self-centered.

And so that's just not how we're going to operate. And that becomes very vapid. This industry can be very vapid very quickly because it's like you don't have the same connection to a product, for a vast majority of our team. So you don't have an iPhone that you show somebody how to use right.

And especially if you think about, outside of sales and the investment team for our firm, we're 170-odd people. There's only 20 people that pick stocks. Everybody else is in support of that in some way.

So you've got to figure out why you're passionate to be here outside of, what's the performance and the fees, and what part do I get? Those are just not very fun people to be around. So, yeah, I think that's how I'd think about the leadership aspect of it.

GUI COSTIN: By the way, I love that comment you just made about fun. Work has to be fun. You've got to make it fun. It can't be a lot of agita. No, I love that.

So speaking of that— it dovetails perfectly to my next question— what advice would you have for a young salesperson entering the investment business in a distribution or sales role?

STEVE FORD: Yeah. Patience. I think patience. So what I see from a lot of young people that are very talented is they are good at what they do, and they're getting better quickly. And because they see the success of others, either the accolades, or the lifestyle, or whatever it is, they get very, very anxious about that, and it leads to a sense of entitlement.

And that entitlement is going to be the root of disappointment and failure. Where it starts, I think, impacting your behavior is in, instead of focusing on the journey of getting really, really good at something and knowing why you want to be there and what you're doing it for, you're too focused on the outcome. And, yes, at some point, everyone has to take care of their own career and those kind of things. It has to be a two-way decision.

But everyone that I hire that's young, I say, look, I need you to give me three years, where you're just heads-down, focused on being the best in the world at what you're doing. And if you can actually accomplish that and say you're one of the best in the world at this, your opportunities here or somewhere else will be unlimited. You won't have to worry about trying to negotiate with me or anybody else for anything. It will be obvious.

And I think that is lost. It's truly lost on a lot of people. I had the fortunate situation— I didn't have any wisdom like that. I had no wisdom when I was young. But I had a set of circumstances where I couldn't fail. And I got on a desk with several others, and, literally, every one of them was better than me.

And it was like, OK, any notion that I'm going to be moving in front of them is not really realistic. So I got to that path on accident, where it's like, look, I have nothing else to do but figure out how to write emails better, leave better voicemails, have better introductions, have better conversations, have better follow-up, and do it more times. That's the only way this is ever going to work for me because I've got about $2,000 in my bank account. I've got a $40,000 salary and $1,500 a month in rent. So I've got to figure this out. And that created a journey for me that ended up being powerful. And, along the way, the journey became enjoyable.

GUI COSTIN: I really didn't have to ask you about your leadership style because it comes through so well in all your answers to the questions. So congrats on that. And so just to close, given the current market environment that we're in today— not stock market, necessarily, investments, but just the world that we live in today— any one or two top challenges that you're eyeing up and then what you're doing to overcome those challenges?

STEVE FORD: Yeah. Well, look, the data challenge is a real one. We've touched on that a bit. So the ways in which you can take data in and the cost of it and what to do with it and how to focus your

team— I think that's a constant discussion for us. Look, obviously, the industry is under— it's quietly under mass disruption, I would say. And a very long bull market with only a few little hiccups, I think, has masked a lot of that for the traditional side of the business, which we sit on. And, look, we've been able to break that mold and do a lot of things to be successful, but we're not immune, either. And so we have to think very carefully about, what do our long-term clients look like? What type of product structures really make sense? What type of pricing really creates alignment between us and our investors? And, ultimately, this whole thing is a war for talent, whether it's your investment talent, obviously, which is the absolute heartbeat of everything that we do. But across all aspects of the business, that's not going to change. So if I think about what GQG can hopefully be, whether it's starting with the investment team or the team that I manage, it's a home for great talent that would want to come and be a part of what we do because we want to keep creating value for our clients and investors over time.
And the market gets smarter every day. The competitors get smarter every day. And so we've got to continue to evolve.

GUI COSTIN: Well, I can't thank you enough. I just want everyone to know, I thought this was going to be a really good interview. I didn't expect it to be this spectacular. If you listen to this, and you break it down, I mean, there's literally nuggets of gold, Steve, all the way throughout everything that you went through. This has been so enjoyable. I can't thank you enough.

STEVE FORD: Awesome. Thanks, Gui.

GUI COSTIN: You got it. So we conclude another Rainmaker podcast. I can't wait to see you on the next Rainmaker podcast. Thanks so much for watching.

Hey, thanks so much for joining Rainmaker podcast. I hope you enjoyed the show, enjoyed the interview. I know I loved it.
And, hey, if you wake up in the morning, and you raise money for an investment firm, you do cold outreach, whether you're a sales leader or sales person, and you don't know about Dakota Marketplace, we would love to show it to you. It's world-class. It's used by over 880 investment firms and over 3,600 individual salespeople. To learn more, go to dakota.com, and click on a free trial.