



SEASON 5 EPISODE #7

GUI COSTIN

DAKOTA

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Morgan Holycross: Thank you. Thank you for having me and let me take the driver's seat here.

Gui Costin: Let's go. So we wrote the book together, be Kind. It's our second book. Our first book was The Dakota Way. So, congrats on the book.

Morgan Holycross: Thank you.

Gui Costin: It wouldn't have gotten done without you.

Morgan Holycross: Yeah, thank you.

Gui Costin: We know that. So I will let you take it from here.

Morgan Holycross: All right, so first question I have for you is, what was the original inspiration for you wanting to write this book, Be Kind?

Gui Costin: We did The Dakota Way. We were going to have leadership be the second half of the book, lessons learned. And that's what this book is. It's a lessons learned leadership book. I really wanted to get... we had the momentum coming from The Dakota Way, and we had a lot of these concepts. And so we just threw our hat over the wall. Remember, we finished

The Dakota Way, and then we rolled right into Be Kind. And I feel so passionate about this topic because starting the company in '06, there was a lot of volatility on my part. There's a lot of volatility back when I had these startups that I did in the late '90s that failed. You know what I mean? A lot of vol, leadership vol. Not good, not proud of that. And as we went along, I think in 2011, I had this epiphany where we had some success, and I realized how empty the feeling was. And I was like, man, there's got to be more to life than this. So I came up with this mission statement of wanting to help other people get what they want out of life. And that was 2011. That's when we started building the team. However, outside of Tracy Rogers, our longest standing teammate since 2007, it was really a locker room of men. And I could kind of say whatever I wanted to. And there was a lot of... and I talk about a lot in the book. I mean, my mom read the first transcript. She goes, honey, are you sure you're just being a little too honest? I'm like, well, Mom, I have no credibility to sit there in some ivory tower. I'm not. I mean, this was a lessons learned, and there was a lot of craziness that I would do to try to get the boys in line, follow the Dakota way, and I would say a lot of stuff that just came... I wasn't really judgmental, but I definitely would of use humor. The basic answer is I wanted to get out into the ether is that if you believe that you spend more time at work than you do with your family, and can you have the super hard-charging culture playing at the highest professional level like we just had? And as you know, everything we do is that hard-charging culture, highest professional level. But can you do it with kindness? Can it be fun? Can you treat people well? So I really wanted to document this concept and use Dakota as the Petri dish, the proof statement, that it's actually possible.

Morgan Holycross: Yeah, one thing I think that's really awesome in the book is that you use these really raw and real examples of I used to do this in the past, but now that I've tried to move forward with this new leadership of being kind and having this hard-charging culture, I've had to switch it. And I think being honest with that is really helpful no matter what your mom says.

Gui Costin: Yeah, and the whole idea is... and we've really proven it because you and I are just on the fourth floor, just all hanging out, doing our thing, working. We had our W Day yesterday. There's no contentiousness. But look. We address things, right? We have to, and we'll get into that kind versus nice, I know. But it was really important to me to articulate the culture because when Dom, Catherine, and you joined... so one of my great friends from Detroit, your dad Mike, and then my 2 best high school friends, their 2 daughters joined, right, in 2020. I knew the locker room show was over. And I didn't want them going back to the kitchen table with Nancy or Andrea and telling these stories that he's crazy and he's doing all this stuff and everything. And also, what I realized is that by doing that and just choosing my words very wisely and just being kind to everyone... not nice, just being kind... we could actually end up having fun at work. And everyone likes to... and what I realized pretty quickly... because we wrote this book last year. So this process

really started in 2020. It started in 2011. As we went down the process, we realized, man, this is really working. I mean, there's 50 kids under 35 years old that work on the fourth floor, and there's no, quote unquote, "manager." There's no Gui coming in and, oh my God, it's an all hand. So I wanted to document that you actually can do it, and you can change people's lives by doing it this way.

Morgan Holycross: We've definitely seen that you can have fun while getting a lot of work done. I mean, even on Monday with the snowstorm that just happened, I think there were still at least 10 people that trudged all the way to the office just because they wanted to be with their friends and be able to get their job done. So it's a great testament to everything that you've created here at Dakota. We talked about that can you have this hard charging culture while doing it with kindness. So why did that question become so important for you to answer and be the overarching theme of this book?

Gui Costin: Because I think people have all these biases, for how they grew up or what have you. If you're nice to your employees, they're going to take advantage of you. If you don't have a T&E policy or vacation policy, people are going to take advantage of you, or you're not going to get the most out of your people. That's like this attitude. So I basically have to use... I have to demean. I have to put people down. I have to be a jerk. The opening line of the book, it's the only swear word I use, but it's easy to be. And people believe you have to essentially be tough on people, or you want to poke fun and you're going to embarrass someone to make a point. I'm just poking fun. And that's not fun for people to be poked fun at. That doesn't make them feel good. It doesn't make people feel judged if you judge what they're wearing or how they're walking or... you're not going to get... if it's an 8-hour day, no one's working 8 straight hours. And so that was really like the point. Like, there is a different way to go about this. And why can't we as leaders change people's lives with the words that we use? And that's really the point because it's like, a lot of leaders, what comes into their head comes out of their mouth. And it's like, no. You can't do that. There has to be a big-time filter. And that's why I wrote the book. And as Gayle, our twice time ghostwriter, which we love...

Morgan Holycross: Yes.

Gui Costin: ...if it impacts one person of how they treat someone that works for them or works with them or if they're coaching Little League, as we'll get to... I think you have a question about that... is then that's all I care about. If I can change 1 person, how they treat someone else, and it's better... or what I really just want to prove is you can have an extremely high-performance culture, but you can do it with kindness.

Morgan Holycross: You've said that the leadership starts at the top, and you want to set this precedent, make sure you're shaking hands with everyone that walks into the office, even if it's someone that's been there for a day. And I feel like that theme is pretty strong throughout the entire book.

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Morgan Holycross: One other thing that I really liked in the book that you talked about was with the football coach, and he got rid of the traditional tackling and practicing these plays that the boys maybe didn't want to do all the time because he wanted it to be fun for them and wanted them to enjoy coming to practice. And I feel like that's what we've really embodied at Dakota too.

Gui Costin: Yeah, I think fun, playfulness, enjoying what you're doing, the story right in the book is about this coach in Wisconsin that was a player coach his senior year. He was the player and the coach. And then he became the coach, and he was a real jerk and had structured practices, and he was a hard-charger, total grinders, grinding people down. And he woke up one day. And this is articles in Sports Illustrated. He woke up one day, and he said, you know what? When we go to practice, we're not going to practice. We're just going to play. We're going to play football. Like, you talk to my son. What's the worst part about football? The best part is playing the games on Saturdays.

Morgan Holycross: Yeah.

Gui Costin: What's the worst part? Practice. You stand around a lot. You don't play football. And so all he did is his practice is they play football. They would just play football. And he ended up, I think, won 462 games, the highest Division II coach in the football history. He made football fun by playing football. And so yeah that's really the takeaway. And that's what... everybody feeds off a leader's energy. Everybody feeds off of... if you're going to think you're being funny and you say something weird and then everyone's, like, hears it, and then it's like... you know what I mean? And for the most part, that's what people do, and they think they're being a leader, and they think they're being funny. And there's no humor in that. It's like teasing people, putting them down, sort of making a joke or what have you, or over commenting. There's all these things that we all know. If you can just be a human being... and then, yeah, I like to say hi to everyone. Of course, and it's, like, friendly. And we're not here to ask you, how come you... get back to your office, or why are you guys doing this, and how come you're eating right now?

You know, the 100 things that normal leaders will make comments of different people, and it just makes people feel badly about themselves. And that shouldn't be the goal. And we've proven if you can just do that, all of you guys then treat each other exactly how I'm treating you. But then that's the whole point.

Morgan Holycross: Exactly. We also talk about the clear distinction between being nice versus being kind. So for these other leaders that are running their high-performance teams or maybe they're trying to take their team to the next level, what is the difference between this nice and kind concept, and why do you think it matters so much in today's world from work or any other place?

Gui Costin: You have to have the best interests of your teammates always. What is in their best interest? And if you don't confront, right, whether it's as simple as you're sending a blog... and I sit down, ok, this is great. But look, we need to make these tweaks, and here's this. Let's reexamine that. I might say somebody who's being nice, I don't want to hurt Morgan's feelings. I don't want to say this or do this or change that. But you're being unkind because you're not helping her maximize the work that she's doing and playing at the highest professional level. I'm doing a disservice to you by being nice. And that's the whole point. Being kind is absolutely having tough conversations. We don't have kumbaya. I mean, everyone knows. It's like when Catherine showed me the logo yesterday for the data conference. I was like, Catherine is the head of marketing. How come it's not in the Dakota font she goes, what do you mean?

I said, look. I said, we have a logo. There's our logo. It says Dakota. And she goes, got it. Ok, I got it, right? Now, I didn't put her down. I just said, I just want to use our logo. Right, now a lot of people said, ok, it would be nice. No, I just addressed it directly. But I did it in a nice tone of voice, and she got it. She's like, I totally get it. It makes sense. Yep, sorry. She's like, don't worry about it. Ok, good. I mean, there's always a reason or excuse, right? That would be... if I just laid back and said, no, Catherine created that, I don't want to hurt her feelings... so I'm not going to say anything. But no, that's just wrong because you're letting people off the hook. Now, I don't demean or put people down or anything, but I address it upfront. I generally will not ever talk to someone that might be, like, somewhat constructive criticism in public. If I have to talk to someone, I would just do it in private. I don't even have to really do it that often because of how there's such a high level of trust. Chris LeRoy came with an email to get our private equity guys to be able to submit their performance. I went into chat and said, write me out the proper email. And it was unbelievable response the chat gave me. And then I called Chris and said, hey, look. I'm going to send you 3 samples from chat of how we should be thinking about what's in it for them, not just asking for performance. He's like great, cool, meaning... but I could have just agreed so I don't hurt Chris's feelings. But no, we're going to dig in. But I'm not going to do it in a demeaning, mean way. So...

Morgan Holycross: Yeah, and I think when you're able to have those hard conversations, it opens the door for people to be able to learn more, especially for myself or Catherine still. We don't always have this knowledge and experience that you guys have, or Pat or Chris Leroy. And for them being able to give us the feedback, like you're saying, it's definitely very helpful. And then we're developing more in our careers and also learning more to retain. If you guys never gave us those corrections that you're talking about, it would just stay with you, the knowledge. And we don't like to gatekeep all of our information, as we like to say sometimes too. You've also said that leaders' words echo more than their title. Was there a moment in your own life that made you aware of this lasting impact that words can have?

Gui Costin: Yeah, I mean, it was probably the most momentous moment in my life in high school. I was a senior playing ice hockey, and it was a bad situation for me at home. It was a bad situation for a captain, a really bad situation. And the coach wanted to kick me off the team because of my conduct, and I was a senior and the whole thing. I wasn't the captain. And my English teacher, Barry Burr, came to me, called me one night, and just said, hey. Alan wants to kick you off the team. And he said, I told him that's not how you handle Gui, ok? And he went into the season, and he said, look. I really need you to step up, bring this team together. Do it for Tom, the captain. What he's going through at home is a really challenging situation, really challenging. And I took it upon myself, and it got it got to be so funny where I went around to... I called a meeting in the first game. I went over to each player on the bench... or it was in the locker room... talked to them directly, how important they were to the team, what they meant to the team, even if they never got on the ice. Well, we had this unbelievable explosion. We win the game 7-4, and then we go Thursday and again do the same thing. We win 8-3 against the number one team in the league. And Mr. Burr comes into the home room, and he goes... and this was after because he was traveling. He comes in. He goes, well, I know who to go to to get something done. What ended up happening is the season went on. We made the playoffs. We were like 1 and 10. I mean, it was a joke. We had this huge comeback. And Alan Perkins wanted to kick me off the team. We're coming into the rink, and he looks at me, and he goes, hey. He goes, can you do that thing where you talk to everybody? And then I realized it was just words. We didn't change a thing in the game. The team for the rest of the season played this most intense energy. And basically, I showed them that I cared about them and that they all had value to give to the team. And that's when I realized, right, words. Now, for years and years after that, I didn't heed that, right? And I had to learn. I mean, it wasn't great. I had some moments where I literally, at one of my jobs, I met with my uncle. I came back, met with my assistant, and we had a conversation. And she comes back to the team because I just come with my uncle. He was a life coach. She goes... and we were not. She was just teasing. She goes, I think he and I are dating now, just because that was...

the words I was using were kind of so sweet and kind about what she meant to me, and I was just going to... I wasn't going to be flippant or so angry at different things. But it's been a lifelong journey that really cultivated in 2020, as I mentioned before.

Morgan Holycross: Yeah. Another thing I want to call out is that theme of trust, and we have that in the book a lot as well. But it's so important to have this trust relationship between obviously you and your coworkers and then you and your boss and you and the CEO especially, working so close with you, with Rob, and having this relationship with Catherine. It opens doors for me to be able to feel comfortable sharing something that I may not know is a good idea or not, but that you guys will give me that feedback, or you reinforce me and say, that is a good idea. We should do that. And then it's really positive, and it just spreads throughout the company I've seen as well. So...

Gui Costin: Yeah, we had that big philosophy. Get to yes. There are no no's. Now, we can't do everything, but it's really important to get to yes. And listen. If you have a lot of trust amongst the team and if everyone knows that I have their back no matter what, that I have their back, then people speak freely and throw ideas out there. And then we'll figure out what the intent of the idea is to get to yes. And so much of it has to do with tone of voice.

Morgan Holycross: Yeah.

Gui Costin: The words that you use, your energy... smile, right? Just all those things, just being a good human being, right? I mean, as I always say, it's like I said. Remember we said in the book about pretend scale was asking. Like, give me one instance that you would want to treat your teammates. I said, treat them like your best friend's grown children. You're going to come in and demean them, put them down, be a jerk? No one wants to be around that person. No, you have a nice conversation. Just be cool.

Morgan Holycross: Yeah. Just be cool. Well, we did change the Dakotatism yesterday slightly for the get to yes. I forget what Pat called it.

Gui Costin: It just has to be a why behind it.

Morgan Holycross: Yes, the why behind it. Why do you think that so many leaders believe fear and pressure or sharpness is so necessary to win these days when we're constantly talking about just being kind and being cool?

Gui Costin: Well, it's a very, very loaded question, but the basic, short answer is vulnerability. You have to be intensely vulnerable to be able to be taken advantage of. And then they haven't given thought to... they just think that, oh, no, in order to get people to perform, I have to put them down. I have to challenge them hard. Look at the performance of our team. Look at what this

team has been able to create in 7 years for this Go to Marketplace product. Just remarkable. I didn't need to challenge anyone or put out goals or put people down. Like, I can't believe... there's like none of that. We knew what we wanted to do. Our goals have been clear. But the people feel that it's like a sports thing. It's like, you got to put people down, and if I don't do that, they're not going to perform. I'm not going to... I got to motivate. I don't give motivational speeches. I just treat everyone like humans, like I'd want to be treated, treat everyone like adults. And so what ends up happening is a very high level of trust ensues from that, and you can accomplish stuff that I didn't think was even possible.

Morgan Holycross: And going back to the trust thing again, no one wants to play scared. When you're playing scared, things don't get done in the way you want them to because...

Gui Costin: True.

Morgan Holycross: ...the ideas aren't... yeah. So one of the most memorable chapters that we had fun with, and Gail liked this one as well, was Little League. Why was this so important for you to include in the book about leadership?

Gui Costin: Having 3 kids that all played college sports and one son who was just really impacted when he was 8 years old just by a coach who was psychotic makes no sense. But it's still with him today in his head. And Little League coaches should... I wrote it because if I can impact parents generally... those Little League coaches are parents... and how they treat those 8-year-olds, 9-year-olds, and they don't make it fun. There's a lot of yelling and screaming. This whole crazy, like, business... for the love of the game. Make the kids love the game. Make it fun. Make them love the game playing the sport. They're 8 years old. They want to run around, and they want to lick a popsicle or whatever and have a Gatorade and have some candy, whatever that might be. Whatever sport it is, whether it's baseball, volleyball... you're a great volleyball player. Whatever it might be, just make it fun. Make them love the game. And it gets lost on these guys that just are crazy. You know what I mean? And you say to yourself, why would you want to do that? You're having such a negative impact on the kids. And a lot of kids want to quit the sport because of the Little League coach they had. And think of that as a concept. It's crazy.

Morgan Holycross: When you're 4 years old.

Gui Costin: Just for the love of the game, get them to love the game. So, well, Morgan, this has been really fun. Thank you.

Morgan Holycross: Thank you for having me. Thanks for letting me sit in the interview seat. This is the first time.

Gui Costin: And thank you for all you did. We wouldn't have gotten these 2 books done if it weren't for you. So thank you for all the help.

Morgan Holycross: Thanks for letting me be a part of it. It was really fun.

Gui Costin: Cool. And if you want a copy of the Be Kind book, simply send me an email to gui@dakota.com, and I'll send you a signed copy. That's a wrap on the latest episode of The Rainmaker Podcast. Thanks so much for watching.

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